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UNION, WORKERS CALL FOR NATIONALIZATION OF REFINERY

St Johns THE WORKERS VOICE in English 19 Jan 83 p 1

[Text]

The workers at W.I.O.C the A.T.L.U, and the people of Antigua and Barbuda are becoming more and more concerned about the operations or non operations of W.I.O.C. plant at Friars Hill.

It is many months now since the Refinery ceased refining operations and the flame went out. The public was told that there were enough refined products to last out 1982, and that arrangement for another shipment of crude was being negotiated.

We were informed that both the Antigua and Barbuda government and the management of WIOC were lobbying to obtain the signatures of the LDC's in order to take advantage of the San Jose agreement whereby crude would be supplied to the refinery at a preferential rate by both Mexico and Venezuela and that the refined product would be supplied to all the islands.

To this effect, the managing director of WIOC, who it is claimed has South African ties, have been journeying up and down the islands, seeking signatures and markets in order to get operations started once again.

We were informed that most of the islands concerned had signed and it was likely that the other few would also fall into line.

For the last couple of months, while the company continues to lay off local workers, a deafening silence has suddenly come over pronouncements from both the government and management of WIOC.

The Union and the workers of WIOC, have become very concerned as to what the future holds for the refinery. So, in view of all this, the ATLU decided to conduct its own private investigation into the matter, and the following facts were revealed.

That the ALP Government, anticipating possible failure to obtain all necessary signatures from the islands in order to share in the San Jose accord has been negotiating with the government of Nigeria, a member of OPEC in order to obtain crude for WIOC.

We understand that an agreement was reached, whereby the government of Nigeria would be willing to sign a year by year contract with a government controlled company set up by the Antigua and Barbuda government, whereby Nigeria would supply all the crude required by this government controlled company at a dollar or two less than the price set by OPEC.

It has also been revealed that the government offered Mr. Rappaport all the crude which the refinery required through

this company. It is understood that the Israeli refused. The government then offered him all the crude required for WIOC at cost price and what was left would be sold by the government at the 'spot price' on the world market and the profits equally divided between the Treasury of Antigua and Barbuda and Mr. Rappaport. It is claimed that the shipping magnate again refused this generous offer demanding instead the "whole hog".

It is an open secret that no member OPEC company is going to deal with an Israel. It is imperative therefore that the government control the purchasing of the crude for WIOC and the surplus sales on the world market would provide much needed revenue for the battered economy of Antigua and Barbuda.

Well, why is it that Rappaport is sticking out for the "whole hog"? Investigations reveal that since the return of the Sinai with its oil wells by Israel to Egypt, that South Africa has been deprived of a substantial portion of its oil imports, and is now frantically purchasing oil from "sanction-buster" for up to three times the OPEC price.

It is now not very difficult to see why this shipping magnate, whose empty mini tanker has been

berthed alongside the WIOC docks for almost a year, and for which WIOC forks out \$5,000.00 US per day, would settle for nothing less than the "whole hog".

The excess crude would be transhipped at sea somewhere off the straits of Gibraltar to a South African tanker at a fabulous price to be taken to Pretoria. The Antigua and Barbuda government which was believed caught napping by Space Research and nearly caught again by Vesco and his principality should be extremely careful about this South African link.

In view of all what has happened and could still happen - for example in the opinion of both expatriate and local experts IF the refinery continues as it is for another three months then it would require another \$30 million to refurbish and repair it once again.

The ATLUS is now calling on the government of Antigua and Barbuda to nationalize WIOC immediately. Any delay would result in disaster and cannot be tolerated. Nationalize now!

While we know that we operate under the free-

enterprise system here in Antigua, we cannot and should not allow our country to be held to ransom by any individual. He must be stopped now.

There are enough locals along with the experts which Venezuela, Iraq, the United Arab Emirates and other countries with the technical know how are willing to provide to Antigua to operate the refinery so we can thank Mr. Rapaport for what he has done so far and bid him adieu.

The ATLUS is again calling on the Government to be bold, set a precedent and nationalize now!

CSO: 3298/353

EVENTS SURROUNDING TRANSFER OF PDVSA FUNDS VIEWED

Caracas MENSAJE ECONOMICO FINANCIERO in Spanish Dec-Jan 83 pp 8-9

/The most outstanding facts of the socioeconomic and business activities in the country, examined and analyzed by the staff of Andres de Chene D. and Associates, C.A./

/Text/ The transfer of foreign currency from Venezuelan Petroleum to the Central Bank, just as had been previously predicted by the Confidential Management Letter, to the disbelief of Venezuelan public opinion, is an irreversible fact. Much has been said and commented, many are the persons who oppose and few who support the measure. But it is an accomplished fact. The management of PDVSA (Venezuelan Petroleum, Inc.) acted judiciously at all times, as befits its great responsibility, and the country hung on its every word. Once the rash of speculations and commentaries subsided, General Rafael Alfonzo Ravard, the nationalized industry's most respected spokesman, explained his viewpoint during a press conference attended by many social commentators interested in finding out with certainty the stand taken by the president of Venezuelan Petroleum, around whom the most diverse fabrications had been woven. Although at no time was the resignation of the general and his staff brought up, the suspicion remains that they will resign. It is impossible that a decision that fundamentally involves administrative control, that ties the hands of the petroleum industry, could be made without serious consequences for a group of Venezuelans who have always given their best and who have shown complete honesty and talent, which is now being called into question before public opinion because of the measure adopted by the Central Bank.

As far as General Ravard is concerned, the matter should not be stated in terms of agreement or lack of agreement with the president, but in terms of a confrontation with the new reality, which has to be defined simply through business criteria in order to obtain maximum benefits for the national economy.

According to Rafael Alfonzo Ravard, the measure came as a surprise, although it should not be construed as interference by the Central Bank in the management of the industry, which is the bank's business, because the industry has its own rules and responsibilities to comply with. The general did not hide his approval of what is being discussed in the country's congress because everything is aimed towards guaranteeing the industry's self-sufficiency. For this reason

any measure that would help to restore complete autonomy to Venezuelan Petroleum so that it can manage the nationalized industry should be encouraged. This will no doubt be achieved after the disappearance of the circumstances that made the president adopt the exchange measures, which General Ravard considers to be of a "temporary" nature.

Without delving deeply into numbers, General Ravard insisted on the fact that the transfer of \$4.51 billion was accomplished quickly, without trauma, without useless delays, which demonstrates the efficiency, talent and honesty of the men who have handled the resources of the petroleum industry. A badly managed enterprise, with leaks to stop up and unsavory affairs to hide, would not have been able to act as promptly as the PDVSA in carrying out the decisions of the president. General Alfonzo Ravard was restrained in his comments. He seemed visibly uneasy. He referred to the conclusions contained in the document that incorporates the work and deliberations of the High-Level Commission appointed by the president of the republic to examine the effects of the agreement on the industry, conclusions that were agreed upon "while keeping in mind the spirit and purpose of the agreement and thanks to the interest shown by the president of the republic." These conclusions were the following:

"First: The national petroleum and petrochemical industry can freely dispose of the bolivars that it generates through operations in the domestic market. In relation to the control in bolivars of the foreign exchange generated by the industry through its sales abroad, Venezuelan Petroleum and its subsidiaries will be able to freely activate their checking accounts in the country's banking institutions to take care of their needs within the national territory, as they have been doing up to now.

"Second: Relating to what is anticipated in the third article of the Exchange Agreement, Venezuelan Petroleum and its subsidiaries should send to Venezuela's Central Bank, within 48 hours after the signing, copies of the contracts from which credits payable to them might derive, in foreign currency and from foreign banks. Also, Venezuelan Petroleum, Inc. and its subsidiaries should report to the Venezuelan Central Bank, in writing, on the development of the contracts referred to herein.

"Third: Venezuelan Petroleum will have access to the Venezuelan Central Bank at any time and for any amount solicited of the necessary foreign exchange to pay for its commitments, imports and liabilities abroad.

"Fourth: Without prejudice to what was stated in the previous conclusion and in accordance with what is anticipated in the fourth article of the Exchange Agreement, Venezuelan Petroleum, Inc. and its subsidiaries will be able to keep a fund in foreign currency denominations for an amount of up to \$300 million, which they will freely administer in such a way as to permit them to implement the investments they deem advantageous to their interests."

Leaving aside considerations about the first three decisions, it is worthwhile dwelling on the fourth one, which is precisely the institutionalization of a "petty cash box" for PDVSA, a box that has the characteristic of being able to

replenish the funds until there are \$300 million whenever the industry needs all or part of it to settle its liabilities. But at no time can these funds exceed the limit indicated.

What will become of the balance of the interest not being collected by the industry because of the transfer of its funds, of its assets in dollars, to the Central Bank? Authoritative opinion has it that the possibility exists of using the mechanism of fiscal export securities to compensate for this loss from 27 September to 31 December 1982 by reason of interest.

Aware as he is of the honest administration that has characterized PDVSA, General Rafael Alfonzo Ravard reports that he asked the general comptrollership of the republic to verify the total amount of transfers and of interests that have accrued during the time that the fund was under the stewardship of Venezuelan Petroleum. This decision of the management seemed very timely to the economic analysts, first in order to avoid having someone casting doubts later on over today's directives and second, so that in the future a full account can be demanded from those who now play the part of executors and trustees of the petroleum industry's financial reserves.

Be that as it may, given the reasons that, according to the president of the Venezuelan Central Bank, justify the decision, which was arrived at unilaterally, the truth is that there are still disturbing facts that demonstrate the danger of the actual situation. Although it is true that the decision was giving the country the appearance of having financial backing because of the availability of foreign currency in quantities larger than the liabilities, and this at a time when from Mexico to Brazil, not excluding Cuba, the situation is the opposite, it is no less true that with the country unable to put a stop to the outflow of foreign currency, the level has continued to drop precipitously. The national financial condition was "covered up" brilliantly but the mechanisms that would inspire internal confidence and prevent foreign currency from leaving the country at a "normal" daily rate of over \$100 million were not created; that is to say, 500 million bolivars per day, which is equivalent to 2.5 billion weekly and at least 10 billion bolivars per month.

/The industry/ having tapped this eventual "reserve", on which the country had been counting and which now is in danger if an immediate retention system is not implemented, it is to be assumed that if the present tendency in the expenditure of foreign currency persists, before the middle of 1983 that of the Venezuelan Investment Fund will also be disposed of. From this one cannot rule out the inevitable imposition of a control on the exchange system, a measure that, although extreme, could be the decisive alternative in controlling the flow. It is difficult to hope for the resurgence of a wave of confidence that could do the job by itself.

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CSO: 3348/196

JOINT CUBAN-NICARAGUAN SHIPPING LINE FORMED

Havana GRANMA in Spanish 28 Dec 82 p 6

[Article by Emilio del Barrio Menendez]

[Text] A regular shipping line of joint Cuban-Nicaraguan ownership was officially inaugurated yesterday with a brief ceremony held on board the Cuban merchantman "Santiago de Cuba" of the Mambisa Navigation Enterprise, the vessel that will make the first trip of this service.

Osmani Cienfuegos, member of the Politburo and vice chairman of the Council of Ministers, Ricardo Cabrisas, minister of foreign trade and Marco Antonio Valle, Nicaraguan ambassador to Cuba, attended the inaugural act.

Radames Pena, captain of the "Santiago de Cuba," took the floor and said that the new regular line, which bears the name of Caribe Service, will help to tighten even more the ties of friendship between Nicaragua and Cuba, and he announced at the same time that the ship's crew is resolved to turn this service into a model of efficiency.

Orlando Borrego, director of the Cuban Freight Enterprise, referred to the importance of this line that has just been established, and the Nicaraguan ambassador to Cuba subsequently delivered the closing remarks. "This is," the diplomat of the land of Sandino stated, "one more example of the militant solidarity, the internationalism of the fraternal Cuban people, who have been, are and will be the best brothers, the best friends of Nicaragua. That is what reality shows. Be fully assured," he added, "that we will do everything on our part to keep up with this new gesture of the Cuban revolution."

The regular line in which vessels of both countries operate provides more stability and efficiency to the maritime trade traffic between Cuba and Nicaragua. The Cuban ports that will be visited by these vessels are Cienfuegos and Mariel, and the Nicaraguan ports will be Corinto, the most important of the sister nation, Sandino, on the Pacific coast, and Arlen Siu, on the Atlantic coast. The Cuban ships will touch at the Pacific ports, while the Nicaraguan will be at the Atlantic.

Arnoldo Menendez Tomassevich, director of the Caribbean Navigation Enterprise, the outfitting entity of the Cuban vessels that will participate in the Caribe Service, as well as foreign trade officials and maritime and port officials of the MITRANS [Ministry of Transportation] also attended the inaugural act.

HAVANA ON PANAMA-ARGENTINA JOINT DECLARATION

PA230824 Havana International Service in Spanish 1800 GMT 22 Feb 83

[Text] Argentina and Panama have agreed that the presence of British weapons and warships in the Malvinas Islands threatens the stability of the area, and they stressed the charges about the existence of nuclear weapons in the area, which violates the agreements and principles of international coexistence. Both sides agreed on the importance of strengthening Latin American unity and integration. These statements are included in a joint declaration issued in Buenos Aires at the end of the official 5-day visit to Argentina of Panamanian Vice President Jorge Illueca.

Before returning to Panama, Illueca proposed that the subject of the existence in the southern Atlantic of an extracontinental base with nuclear armament be taken to the forthcoming summit meeting of the nonaligned countries movement in New Delhi in early March. Argentina supports Panama's candidacy to preside over the 38th UN General Assembly.

CSO: 3348/232

COUNTRY SECTION

ARGENTINA

MAGAZINE REVEALS AIR ATTACK TACTIC AT FITZ ROY

PY262128 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1745 GMT 24 Feb 83

[Text] Buenos Aires, 24 Feb (NA)--As a result of a raid by five Skyhawk A4B planes, the British troop transports Sir Galahad and Sir Tristan were set on fire and seriously damaged, while four Dagger planes sank the frigate Plymouth on 8 June 1982, 6 days before the fall of Puerto Argentino.

Details of those actions, which were the most costly in human lives for the British, were revealed in today's issue of the Air Force magazine AEROESPACIO. The article says that the British air patrols were drawn away from the site of the action by diversionary maneuvers by Mirage planes.

Under the title "The Fleet's Darkest Day," the official Air Force publication recounts the planning, the execution and the results of the operation carried out against the British ships on 8 June 1982.

According to statements by an unidentified pilot who participated in that operation, several modes of action were planned for that day: one to mislead the British patrol planes, and two to carry out the attacks.

The magazine, which is due out tomorrow but was made available to NOTICIAS ARGENTINAS in advance, recounts that at 1000 on 8 June "a fragmentary [fragmentaria] order to execute an immediate operation" was received. Consequently, "two squadrons adequately armed to bomb ships" were prepared, and "provisions were made for in-flight refueling, as is usually done."

AEROESPACIO says: "The two squadrons comprising eight planes were to attack at least two troop landing ships which had been sighted from Puerto Argentino and which apparently were operating in Fitz Roy Bay." The squadrons were codenamed "Dogo" and "Mastin" for missions 1289 and 1290, and took off "at 1150 normally."

"A short time later two squadrons of M-V-Daggers with a total of five planes would take off from another base to back up the strike by the Skyhawks. These squadrons would execute tasks 1291 and 1292 with the codenames "Perro" and "Gato." To prevent British planes such as the fearsome Harrier-side-winder combination from interfering in this important attack mission, an M-III-E-A squadron was ordered to fly a diversionary mission to clear the

path for the true attackers by drawing away the British combat air patrols (PAC) which flew near the San Carlos beachhead."

After recounting that three of the eight Skyhawk planes had to return due to problems with oil pressure and clogging of the in-flight refueling hose, the magazine says that the five planes left flew "close to the surface of the water" from 140 kilometers from the targets.

It then says that the British detected the decoy planes and "the path of the real attackers was cleared of dangerous enemy aircraft."

After going through three rain zones which impaired visibility, the five planes descended to 5 meters off water and 10 meters off island's terrain, bearing down on the targets. At that time the planes ran into two British helicopters but managed to shake them off.

Failing to locate the targets in Fitz Roy Bay and as the planes were about to return, one of the pilots sighted a naval formation at Bahia Agradable and the decision was made to attack two ships.

"The first group of three planes launched its attack with the following effects: the first plane hit its target with three 250-kilogram bombs; the second plane tried to drop its bombs but failed due to a malfunction in the ejection system; and the third plane dropped bombs which rolled off the ship's stern, skipped over the water onto the beach and came to rest amid the personnel and materiel disembarked there. The delayed action bombs then exploded, causing confusion among scrambling British troops in the materiel that was scattered all over."

The magazine reveals that the second group of Skyhawks was unable to check on the damage inflicted on the British ships.

"The attack took place at about 1350 and lasted a few seconds," the magazine reports.

Then the mission of the Dagger planes is recounted, noting that "'Perro' and 'Gato' hurled their bombs with amazing accuracy, practically splitting in two the British frigate Plymouth."

The AEROESPACIO report ends by saying that after the Skyhawks returned, two four-plane squadrons took to the air, but that three of the planes were destroyed by air-to-air missiles fired by the British who had by then been alerted.

CSO: 3348/232

COUNTRY SECTION

ARGENTINA

INTERVIEW, ARTICLE REVEAL DETAILS ON MISHANDLING OF ECONOMY

Martinez de Hoz Blamed

Buenos Aires LA SEMANA in Spanish 6 Jan 83 p 99

[Interview with Jorge Eduardo Sola, professor of constitutional law; date and place not given]

[Text] Jorge Eduardo Sola is a professor of constitutional law and has doctorates in criminal law and notarial sciences. He is a graduate of the National Defense School, was part of the national justice system for 20 years and was removed from his post as a national judge pursuant to a decision by the people in charge of the National Reorganization Process. His conversation with LA SEMANA follows.

[Question] In what capacity did you charge former Economy Minister Jose Alfredo Martinez de Hoz and his team with fraudulent management and call for an investigation into the origin of Argentina's current foreign debt?

[Answer] As a simple citizen fulfilling an elementary ethical duty, as the latest document from the Argentine Episcopate advocated. Argentina's foreign debt currently stands at more than \$35 billion. This is about four times our total estimated exports for this year, that is to say, a bit more than \$1,250 per inhabitant. The interest on the debt at the rates prevailing today on world markets would come to \$5.25 billion. This means that 60 percent of the country's export earnings would be used exclusively to pay off this interest, since exports are estimated at around \$9 billion. Thus, our import capacity would dwindle to \$3.75 billion. By the end of the year the country will have added another \$2.75 billion to its debt.

[Question] What evidence are you furnishing in your accusation to justify the charge of fraudulent management?

[Answer] The inordinate growth of the foreign debt raises specific, objective questions as to how this enormous sum of money was invested.

Former Economy Minister Jose Maria Dagnino Pastore said publicly that the money had not been invested to expand the country's production capacity. In other words, the borrowing was not to import the inputs and goods needed for our domestic development. Another former economy minister, Lorenzo Sigaut, said that Martinez de Hoz hit upon the idea of plunging us completely defenseless into the world of international finance. In his book "La posguerra" Aldo Ferrer says that the financial agents who negotiated the loans that were granted to the country received commissions totaling about \$4 billion. The authors of "El colonialismo invisible," Deheza, Hopenhayn and Calcagno, supply other data about the size and makeup of the foreign debt. All of this evidence and the related documentation are the basis for my accusation.

[Question] Some foreign economists say that because of the abundance of money on financial markets between 1977 and 1981 the large banks had to pump out loan after loan. Could this be the reason for the commissions you mentioned?

[Answer] During the period you are talking about there was an abundance of Eurodollars looking for a place to go. Here in Argentina the economy minister induced state-run enterprises to contract dollar debts (one of many specific cases is the YPF [Government Oil Deposits]). I don't know whether he did this so that someone could collect a fat commission, but I can assert that dollar borrowing to cover outlays in domestic currency is a totally unjustified financial blunder.

[Question] Do you agree with the charges being leveled by Tucuman economist Valeriano Garcia?

[Answer] Dr Garcia's charges are correct, because a portion of the foreign debt has come from loans to persons with dollars overseas to back them, thus benefiting from exchange insurance, and from canceled imports that have remained in the accounting records as pending payment. The merits of specific cases will dictate whether the courts intervene.

[Question] According to Alvaro Alsogaray, half of the foreign debt was earmarked for extravagant projects and military spending. What do you think?

[Answer] When a public works project is constructed, no matter how extravagant, pesos are spent, for example, to purchase materials, to pay workers, etc. So even though a loan has been taken out in dollars to finance it, the dollars are changed into pesos and become part of the Central Bank's assets. This is the crux of the investigation, because it's not enough for the Central Bank to tell the judge that company X owes so many millions of dollars. What we want to find out is what the company did with the money it owes. And a judge could easily do this with the support of the General Directorate of Taxation (DGI). As far as military spending is concerned, it might have totaled \$8 billion under Martinez de Hoz, which is insufficient to explain the amazing growth of the country's external debt.

[Question] Specifically, the government allegedly guaranteed certain loans whose use was never made public. Is this true?

[Answer] It is, and it will come out in the information that the Central Bank gives the courts. However, it is normal for foreign bankers to demand that the government guarantee loans to companies constructing major public works.

[Question] Is your accusation confined to Martinez de Hoz or does it extend to his successors?

[Answer] It is confined to Martinez de Hoz, because it was unquestionably under him that the conditions were created under which the country has practically had to suspend payments. The men who followed him were faced with short-term liabilities that exceeded the country's available foreign exchange holdings, which is why additional loans had to be taken out. What happened after Martinez de Hoz was merely the consequence of the financial disarray that he and his colleagues created.

[Question] If the finding is that a crime of fraudulent management was committed, in what way do you think then President Jorge Rafael Videla and his fellow members of the Military Junta would be liable?

[Answer] If Videla and his comrades are considered to have acted in fulfillment of a military duty, then the case will fall under the jurisdiction of the military tribunals. If, on the contrary, solely the civilian and political nature of their actions is considered, then the judiciary will have to act.

[Question] The National Office of Administrative Investigations, whose function is to monitor the actions of public officials, has said that for the time being it will refrain from intervening in this case. What do you think of this?

[Answer] The stand taken by the attorney general, Luis Carlos Cabral, has not surprised me. I would say, rather, that I was expecting it.

[Question] According to some experts, it could take several years to clear up this case because of the complexity of the investigations. Are you confident that the courts can draw a conclusion before the guilty parties, if there are any, succeed in avoiding punishment?

[Answer] I have full confidence in the acting judge. The length of the case will depend on how diligently the investigation is carried forward. I would mention that a short while ago I amplified my accusation, pointing out that IMF experts could not find vouchers for \$10 billion, since they did not show up either in the books that customs keeps or in the Central Bank's. So, if the fund's foreign experts can discover such major anomalies in just a few days, the Argentine courts can too.

Economists Level Charges

Buenos Aires LA SEMANA in Spanish 6 Jan 83 pp 98, 100, 102-105

[Article by Carlos Cabeza Minarro and Mara Sala]

[Text] Alvaro Alsogaray wrote on 23 October 1982 in LA NACION that the increase in the foreign debt "during the Videla-Martinez de Hoz-Diz mandate, which was truly representative of the Process and during which we had the great opportunity to organize the country, totaled \$20 billion. This is more than U.S. aid to West Germany under the Marshall Plan (about \$17 billion at today's values).

Terrifying. Just think of what Germany was like after the Second World War: land laid waste, cities that looked like skeletons, devastated industries, fields strewn with bombs and shrapnel, smoke coming from fires, ruins and a defeated, humiliated people forced to chant "mea culpa" every day. Who would have thought then that Germany would turn its ashes into riches? No one. Because, among other things, no one was interested, because the pain of the war led people to believe that if Germany were to rise again, a new world explosion would be inevitable.

Then came 1949, and West Germany, which until then had been divided into three territories controlled by the United States, Great Britain and France (Soviet-controlled East Germany had become the German Democratic Republic a year before), was unified, setting itself up as a semi-independent country under the name of the Federal Republic of Germany.

Then came the Marshall Plan, which according to the data furnished by Alsogaray, brought \$17 billion in aid in current dollars. This is quite a bit less than half of Argentina's current foreign debt, which Minister Jorge Wehbe stated on 29 December was around \$43 billion.

It is indispensable to remember and compare if we want to better understand the disaster and wastefulness of the Process.

Germany used those \$17 billion to become what it is today: the world's number three or four power. Argentina, with much more, collapsed. According to most economists, our industry was not destroyed by a 6-year war but by an economic plan that, curiously enough, lasted almost as long.

It is useless to repeat the platitude that the "German miracle" was based on the hours of labor that Germans gave their country. Argentina's workers gave years of labor, if we consider the skimpy wages they received, and if they did not give more, it was because many factories had to close their doors...

Where Are Those \$40 Billion?

Germany was able to point out how it invested those \$17 billion. Can Martinez de Hoz and his team do likewise?

Hardly. This is why many of them are daily visitors in courtrooms as defendants and witnesses, to clarify cloudy episodes in his egotistic tenure of office.

Pursuant to accusations by attorney Jorge Eduardo Sola (see previous interview) and journalist Alejandro Olmos, Federal Judge Martin Anzoategui is looking into where those \$40 billion wound up, and he has so far not gotten the help he requested from the presidents of state-run enterprises in connection with the size of the foreign loans they obtained and what they were used for.

Two economists (Alvaro Alsogaray and Valeriano Garcia from Tucuman) cited solid information in their replies to the big question: Where are those \$40 billion?

Valeriano Garcia:

- 1) One part consists of the interest that accumulated on the original debt.
- 2) Another small part was used to finance overseas travel and purchases.
- 3) Another portion, whose size we do not know, is made up of money that people loaned to themselves. In other words, persons holding dollars overseas received loans guaranteed with these dollars, thus getting on the exchange insurance merry-go-round.
- 4) The private sector also contracted debts to buy capital and consumer goods. If these loans are guaranteed by government banks, then the debt automatically becomes yours and mine.
- 5) Military equipment
- 6) There is also an unknown amount of dollars "under mattresses," inasmuch as dollars insure a minimum of stability and generate profits. The more illegal it is to hold them, the more important they are.
- 7) Dollars are also invested in state-run enterprises, which are helping to make the country poorer because their net value is negative at the moment.

Of these seven items, one seems to be overlooked by the investigators: military hardware. This reporter saw Martinez de Hoz get very annoyed at a time when he was still minister, when someone asked him about how much money had been spent on weaponry for the war with Chile, the war that never broke out. This took place at the Plaza Hotel during a meeting of the El Ombu Club.

In analyzing the evolution of the foreign debt in a study by economists Gustavo Parino and Angel Pena, the Mediterranean Foundation, which is headed by former Central Bank head Domingo Cavallo, discovered a real gem, and a valuable one, amounting to \$13.73 billion. This is the difference between the balances of payments and the exchange balances published by the Central Bank from 1978 to 1981. This amount (of Marshall Plan proportions) almost matches the size of the category called "unspecified transfers" in the exchange balance, which, according to the foundation, could include, in addition to the purchase and sale of foreign exchange for advisory services, tourism, overseas investments and the payment of certain debts not registered in the balance of payments, "transactions that involved political or strategic factors, such as imports of military hardware, which were not included in the balance of payments and which perhaps became sizable as of 1978, though verification is impossible."

The purchase of these weapons (the necessity of which is debatable) would not constitute an illegal act. The arms are somewhere, except those that were lost during the fighting in the Malvinas or were abandoned or captured after Menendez's surrender.

In contrast, what ought to be considered illegal acts are numbers three and six in Valeriano Garcia's points. Some reliable sources say that the former alone, the skilled riders of loan merry-go-rounds, could be hiding \$10 billion, which the IMF officials reportedly looked hard but unsuccessfully for when they were here to negotiate the standby credit. As far as the other category is concerned, there is no way to tell how many dollars Argentine mattresses can hold.

More on the \$40 Billion

Alsogaray points to three major items in his explanation of the reasons behind the foreign debt.

In the first he includes loans for purposes that could be described as "constructive." These are, in his own words, "long-term loans at comparatively low interest rates to finance public and private projects that are self-amortizing or that are likely to be paid off voluntarily by the community in the form of taxes."

In the second group he includes "loans to purchase military hardware (weapons once again), excluding loans to finance military or paramilitary industries not directly linked to the real and immediate needs of the Armed Forces, which should be included in the third group."

Alsogaray's third group covers the years of "easy money" (for those who had it), the World Soccer Cup (including the Argentine color television station), highways, submarine shipyards and other projects that were "as unnecessary as they were extravagant" (see separate breakdown). The total comes to \$19.13 billion, give or take 5 percent, Alsogaray concedes.

In other words, according to Alsogaray, practically half of the foreign debt was simply squandered. If this had not been the case, if Argentina had done what Germany did under the Marshall Plan, "there would have been no room for corruption, economic anguish, unemployment and so many of the other ills that we are currently suffering from. Above all, we would not be, as we are, walking a narrow path between massive joblessness and the chaos of hyperinflation, which if we do not abandon it soon, will lead us to serious social unrest and an iron-handed dictatorship that will come to restore order" (sic).

Alsogaray attributes all or almost all of today's woes to the 5-year mandate of Videla and Martinez de Hoz, to the 5 years of the "little table," which, according to Martinez de Hoz, would have saved the country if Lorenzo Sigaut had not eliminated it after his remark "those who wager on the dollar will come out losers," which will no doubt go down in history.

So, almost \$20 billion was squandered; \$10 billion came from the loan merry-go-round, and some \$7 or \$8 billion was spent on weapons. The sum is almost equivalent to our total foreign debt.

Wasteful State-Run Enterprises

So far we have been talking about overall figures. The time has come to break them down. By late 1975, just before Isabel was ousted, the numbers looked like this: public debt, \$4.021 billion; private debt, \$3.053 billion; reserves, \$604 million; net debt (total debt minus reserves), \$7.271 billion. It was correctly stated at the time that the country had suspended payments.

By 1979 the situation did not look that bad. Martinez de Hoz and his team boasted of the sizable reserves that had been built up. Argentina, they said, was a truly, not just potentially rich country. The dollars could barely fit in the Central Bank, as with gold in previous eras.

But the numbers, though not alarming, were beginning to tell a different story: public debt, \$9.96 billion; private debt, \$9.074 billion; reserves, \$10.48 billion, and net debt, \$8.551 billion.

The debacle had begun. The following year, reserves had dropped to \$7.683 billion, and the net debt had risen to \$19.458 billion. By the end of 1981 the numbers looked like this: public debt, \$20.024 billion; private debt, \$15.647 billion; reserves, \$3.877 billion, and the net debt, \$31.794 billion. As of 30 June 1982 the figures were \$22.689, \$16.45, \$3.941 and \$35.198 billion, respectively.

It is not easy to secure data about the private sector because of the loan merry-go-round, the delays in informing the Central Bank, the money under mattresses, etc. The most optimistic people (among them a Central Bank official who asked LA SEMANA not to print his name "so that I don't join the ranks of the unemployed") say that a major portion

of the private debt is being paid off on time or has already been paid off, though the people at the Central Bank, who are literally buried in paperwork, have not had the time to discover this yet.

As far as the public debt is concerned, as of March 1981 (the statistics from then on are not reliable, and this is precisely what Federal Judge Dr Martin Anzoategui is waiting for) the enterprise-by-enterprise ranking is topped by the YPF, with \$3.031 billion, followed by Water and Power with \$1.484 billion. Next come CTM Salto Grande, \$1.065 billion; the National Development Bank, \$984 million; the National Atomic Energy Commission, \$653 million; SEGBA [Greater Buenos Aires Electrical Services], \$604 million; Argentine Airlines, \$492 million; SOMISA [Argentine Joint Iron and Steel Association], \$485 million; ELMA [Argentine Shipping Lines, \$441 million; Argentine Railways, \$375 million, and State Gas, \$285 million. More modest debtors but still owing more than \$100 million are HIDRONOR [North Patagonia Electric Company], the National Directorate of Roads, ENTEL [National Telecommunications Enterprise], HIPASAM and the National Directorate of Military Manufactures. Also, in addition to the Bank of the Argentine Nation (whose debts total \$96 million), there is a group of unspecified state-run enterprises whose total debt amounted to \$2.681 billion as of March 1981.

A Judge Swimming in Files

He is not frightened, but he is very annoyed. His name is Federal Judge Martin Anzoategui, and in spite of his constant, emphatic requests he has gotten only a few state-run enterprises to send him details of their debts and investments. The few are: the National Atomic Energy Commission, Argentine Airlines, State Gas, the National Directorate of Roads, Railways and SOMISA. From the rest, silence.

Anzoategui neither wants to nor is able to talk, because although the investigation file is not confidential, it is so extensive that he does not have the time to look up from his desk, much less to receive visitors. But since everything is knowable in this world, we can imagine a conversation with the judge. It is not that imaginary, however, because LA SEMANA has put it together on the basis of leaks rumbling through the halls of justice.

[Question] Are you investigating the economic policy of Martinez de Hoz and his team in the suit filed in connection with our foreign debt?

[Answer] We are definitely not investigating their economic policy, nor are we questioning the expenditures themselves, even though they look fiendishly high at first glance.

[Question] So what are you investigating?

[Answer] We are seeing whether any criminal acts were committed in connection with the expenditures that were made.

[Question] What methods will you use to determine whether or not crimes were involved?

[Answer] First we have to find out the total amount of the outlays and whether it is less than the amount of the loans and then find out whether the difference is in the till.

[Question] Let's suppose that an enterprise invested all of the money it borrowed and that the numbers square just perfectly to a nice, round zero. What happens then?

[Answer] Once we know for what purpose an enterprise used its foreign loans, we will demand to see the goods that justify such outlays. In short, the enterprises will have to show, beyond a shadow of a doubt, what items they purchased with the proceeds of the loans they were granted.

[Question] In other words, if an enterprise asked for a loan to buy 1,000 ashtrays, it will have to show both the bill and the ashtrays, isn't that so?

[Answer] That's right. All the enterprises (speaking loosely) will have to come here with their ashtrays.

(It would seem, however--and this is not just imagination but rather an account regularly heard in the halls of justice--that some case files are so hot they give off smoke, that more than a few ashtrays are missing and that if the court ordered an investigation undertaken, it was because there is a presumption, which some circles would describe as strong, that criminal goings-on were involved. Let's return to our imaginary interview.)

[Question] If economic policy is not under investigation, then is pegging the dollar at 2,000 pesos grounds for a suit?

[Answer] No. Unless such action is beneficial to interests that are incompatible with the nation's interests.

[Question] How far along is the investigation?

[Answer] The court is engaged in the task of gathering information. The information will be evaluated with the help of outstanding specialists in the field to determine whether the increase in our foreign debt has to do exclusively with economic policy or whether, on the contrary (and under the pretext of economic policy), maneuvers that could be regarded as criminal are being covered up.

[Question] The court gave the National Office of Administrative Investigations the opportunity to intervene, but it stated that for the moment it would refrain from taking penal action in the case. How do you explain this?

[Answer] ...

[Question] That's very clear. Technically speaking, what kind of inquiry is it?

[Answer] It is not a confidential inquiry. It is a criminal action inquiry and is open to any citizen who has anything to contribute.

[Question] Has any citizen come forward so far, aside from attorney Sola and the newsman Olmos?

[Answer] No, and it is a shame that many of those who are talking do not report to the courtroom to contribute what they claim to know. I must repeat that anyone who knows of some irregularity that is not likely to show up in the official accounting records has the door of the acting court open to him. Moreover, they can even remain anonymous, because we might follow up on even phoned-in tips if they seem to provide some sort of lead.

[Question] Aside from the outcome of the investigation, what does it represent as a precedent?

[Answer] It sounds a general warning that the acts of public officials can be judged by the courts. [end of imaginary interview]

Those who are knowledgeable about such things say that given the size of the case docket, Judge Anzoategui will need no fewer than 30 experts in administration and economics to help him in the inquiry. He has thus asked for assistance from the Professional Council of Economic Sciences, the University of Buenos Aires and the National Academy of Economic Sciences.

The council was the first to respond, sending five experts over to the judge's team: UCR [Radical Civic Union] members Bernardo Grinspun and Antonio Garcia Vazquez, Peronist Jorge Manuel Rogelio Dominguez and MID [Integration and Development Movement] members Osvaldo Ernesto Trocca and Hector Walter Valle. The Multiparty Group, which is anxious to investigate the military governments, is deeply involved in the investigation.

The University of Buenos Aires reported that its people are also prepared to cooperate. In contrast, the National Academy of Economic Sciences chose to remain silent. No one explained this silence better than Pablo Luis Marrow (in CONVICCIÓN). This past 2 December he wrote: "As far as the academy is concerned, one simple fact could explain the problems that its members are up against in joining the ranks of the prominent, potential indirect executioners of Martinez de Hoz and Diz: the current president of the academy is Guillermo Walter Klein, the father of the man who was the potential victim's main, right-hand adviser during his tenure."

Contingent Liability

The 25 de Mayo and Perito Moreno expressways are the two most clear-cut examples of contingent liability, which has a great deal to do with the foreign debt. Ausa, S.A., the company that built and administers the superhighways, announced that it was going to invoke the clause in the municipal ordinance that would enable it to cover its operating deficit with the guarantees that the government gave on the basis of the estimates of automotive vehicle traffic that officials in the Cacciatore administration made.

Stated more briefly, the already exhausted National Treasury will have to pay out several million dollars, which Huarte S.A., the main shareholder in Ausa S.A., will probably send back to Spain.

This type of guarantee is what economists call contingent liability, and in this case all citizens are going to have to pay, even if they do not own cars.

How and why were the guarantees given? The answer is: unless there were other interests and other motives, because of the optimistic reports of government officials.

How did we come to owe \$43 billion? How is it that the world of finance had enough loose money around to wallpaper Latin America with dollar bills, inasmuch as the problem is not only Argentine?

A man at the Central Bank gave LA SEMANA this explanation: "The oil-producing countries, most of them Arab, after building highways in the desert, arming themselves to the teeth, building schools and hospitals, putting up desalinization plants to make seawater drinkable and making investments in any country that was offering guarantees, discovered that they still had a great many petrodollars left over. So they shipped their surplus foreign exchange to the international capital market, whose main centers are New York and London. The industrialized countries hardly need loans inasmuch as they use the profits from the sale of their goods. So the solution was to inject credits, even if under pressure (some prefer to replace the term "under pressure" with the traditional method of offering fat commissions to the representatives or agents of the borrowers), into the underdeveloped countries that wish they were developed. This wonderland of loose money that the world capital market turned into coincided with the coming to power of the military regime in 1976 and lasted until just a few months ago, when the lenders realized that they had smothered their poor neighbors and brought them to the verge of having to suspend payments..."

Thus, the same people who yesterday were lavish with their dollars for development are today being tight-fisted with and tieing strings (via the IMF) to their loans, which could almost be described as alms compared to previous credits.

Last September, American economist Rimmer de Vries, a member of the Board of Directors of the Morgan Guaranty Trust Company bank group, said: "One thing is certain. The international credit-granting game is over. It cannot continue and will soon be set on different courses under different laws."

It did not take long. The obstacles that Argentina faces (faced, we might say) in securing a standby loan of slightly more than \$1 billion are proof of this. But to these new realities on the world capital market we must add the none too clear accounts of the Central Bank that IMF experts have discovered.

In the chapter of conclusions to their study, Gustavo Parino and Angel Pena state: "The statistics published by the Central Bank yield widely varying estimates of the country's foreign indebtedness. According to the balance of payments, the country's net indebtedness (reserves included) totaled \$11.2795 billion as of 31 December 1981. The exchange balance yields a net external debt of \$25.0193 billion as of the same date, and lastly the foreign debt statistics themselves (reserves excluded) show \$31.7938 billion. The difference between the first two is due to the outflow of capital implicit in the category unspecified transfers. The difference between the numbers from the exchange balance and the foreign debt statistics (\$6.7745 billion) cannot, however, be explained, at least with the available information published by the Central Bank of the Argentine Republic. Moreover, if the principles of double-entry accounting were used to record foreign exchange and foreign loan activities, such differences should not exist. The outflow of capital recorded as unspecified transfers is closely related to the exchange policy pursued from 1979 to 1981 and was basically financed with increased overseas borrowing by the public sector during the same period."

How Is the Debt to Be Paid?

Not long ago, someone wrote to a Buenos Aires newspaper and offered a simplistic solution that each inhabitant of the country should contribute, in the form of his labor or whatever else, the \$1,782 that our foreign debt amounts to per capita. The figure is a bit larger now: \$43 billion divided among 27.9 Argentines.

The proposal was made in jest, of course. In fact, the Central Bank reported that the country would be unable to make the payments falling due in the second half of 1982, which totaled \$12.76 billion, to which should be added \$2.31 billion in previously unmet payments. In other words, from July to December the country was supposed to have paid out \$15.07 billion, which is equivalent to the entire year's trade balance surplus and to just under double Argentina's total exports for 1982.

The country is clearly unable to meet its obligations now and in the immediate future. Thus, Central Bank experts have come up with a payment plan that has already been approved by the 11 main creditor banks, according to unofficial reports.

According to Communication A251 of 11 November 1982, the plan is to pay back between 25 May 1986 and 25 November 1987 all of the liabilities falling due between 25 November 1982 and 31 March 1983. The liabilities that fall due from 1 April 1983 on will be paid back between 1 October 1986 and 1 April 1988. In all cases the repayments will be made in four equal installments and will cover principal only. This arrangement for the public debt can also be extended to the private debt, in which event it will have government guarantees, thus automatically making it public debt as well.

During the almost 4 intervening years, which can be considered a grace period, the country will make only interest payments, which are much lower on the foreign market than on the domestic market.

The main aim of this plan is to prevent the country from being strait-jacketed and to reduce the debt steadily in the future, inasmuch as inflation in the industrialized countries, objectively estimated at 10 percent a year, will cut the real debt accordingly.

Furthermore, hopes are being placed in an industrial recovery, which would boost nontraditional exports to some degree and cut imports. The modern equipment that some industries imported under the tariffs set by Martinez de Hoz (one of the few positive elements in his program) can hopefully be put in operation by either the people who imported them or by those who purchased them if the former went bankrupt, as many did.

In addition to the startup of this efficient, modern equipment that will make Argentine industry more competitive internationally, the anticipated recovery will enable the country to make use of 30 percent of its currently idle production capacity, which will help to generate foreign exchange and combat domestic inflation.

In other words, the outlook is dismal but not totally bleak. Therefore, many politicians and economists, though they denounce the way that the current debt was accumulated, are not too worried about coping with it, especially if the payback periods are extended, as will apparently happen. Moreover, interest rates on the world capital market tend to be variable, and therefore a drop should never be ruled out, especially if money once again builds up on the world market because of the trend towards tighter credit or towards granting loans with greater guarantees than so far.

Local industrial and economic circles are also speculating about a possible rise in food prices on world markets, which would clearly and tangibly benefit Argentina and encourage it to pursue a more aggressive export policy because of the considerable financial gain that would accrue to both growers and the country.

In this connection, Dr Domingo Cavallo is said to believe in a scenario that one economist with a good sense of humor described as "extraterrestrial."

This is the scenario: a domestic economic recovery, a drop in international interest rates, a rise in inflation in the developed countries and higher prices for food items.

If all these conditions came about (which cannot be completely ruled out), Argentina's foreign debt would become considerably smaller, and paying it off would not entail the sacrifices that its citizens are being forced to make under more normal conditions.

We must bear in mind, however, that this relatively optimistic picture does not erase the blunders that led to the current situation, to the suspension of payments and to everything that the courts are now investigating to determine whether, aside from an economic policy that cannot be brought to trial, crimes were committed for which the guilty ought to be punished.

According to Alvaro Alsogaray, this is how \$20 billion was wasted:

1. Subsidies to keep fuel prices and public utility rates relatively low and to disguise the effects of inflation on the cost of living. These subsidies showed up as short-term borrowing by state-run enterprises, mainly the YPF.....\$3.5
2. Subsidies for foreign exchange purchases to keep the peso overvalued as an anti-inflation expedient. This stimulated Argentine investment abroad (Punta del Este, Brazil, Miami, etc, as well as overseas travel by more than a million Argentines, who brought back all sorts of luxury items.....\$3.5
3. Subsidies for exports that used up more foreign exchange than they generated.....\$0.5
4. Financing for extravagant, development-oriented projects and enterprises such as:
 - The 1978 World Soccer Cup (including Argentine Color Television)
 - The "Interama" amusement park and the transfer of the zoo
 - The 25 de Mayo and Perito Moreno expressways
 - The Buenos Aires Central Market
 - The Yacyreta Bilateral Agency
 - The Bahia Blanca petrochemical enclave
 - The state-run enterprise Hierro Patagonico de Sierra Grande
 - The state-run enterprise Altos Hornos Zapla
 - The state-run enterprise Government Coal Deposits
 - The state shipyards for submarines
 - The development of our own nuclear technology and self-sufficiency in nuclear inputs
 - Government guarantees for private companies engaged in development priorities, which enabled them to obtain overseas loans
 - The excessive size of most state-run enterprises engaged in inordinately large and unprofitable projects

This list is in no way complete, but it does include the salient examples.	
Total cost of projects in this category.....	\$8.93
5. Direct and indirect government borrowing overseas to finance its deficit (including refinancing, swaps, fixed-term maturity obligations and other liabilities).....	\$0.7
6. Interest rate surcharges on foreign loans to bring in hot money and to keep domestic savings and capital inside the country in the form of virtually demand deposits (less than 30 days) in order to (falsely) monetize the economy and finance government activities. This method of financing pushed the private sector into taking out loans that were almost impossible to pay back.....	<u>\$2.0</u>
Total indebtedness stemming from these outlays.....	\$19.13
	billion

The Status of the Process's Economic Team: Martinez de Hoz and Those Who Practically Live in Court

Argentines have never had to deal with so much economic information as during and after Martinez de Hoz. From January to December 1982 the former economy minister was in court six times. The following cases seem to involve him, as well as former members of the Board of Directors of the Central Bank of the Argentine Republic. In January, Martinez de Hoz testified as a witness in two cases involving two private firms. He was called twice. In October he provided testimony in the suit filed in connection with the bankruptcy of the Banco de los Andes; he was subpoenaed by Federal Judge Nicasio Dibur as an "unindicted defendant" (under Article 236, Part II of the Procedural Code) in the suit filed by Hector and Jose Greco against the national government for the liquidation of the above bank and the bankruptcy of the enterprises in the Greco group.

Christian Zimmermann is implicated in the same case and has been subpoenaed by the same judge, as have Guillermo W. Klein, Alejandro Reynal (the former vicepresident of the Banco de los Andes) and Adolfo Diz (the former head of the Argentine Central Bank), who was recently excused from preventive custody in the suit that has been filed in connection with goings-on in the Argentine Livestock Bank. Diz has also been called before the Federal Court in the city of Cordoba for his possible links with the liquidated company Centro Financiero. Also reportedly involved in this case are the second vice president of the Central Bank, Andres Covas, who still holds his post, former director Fuentes Rossi and other officials. In addition, Zimmermann testified as an unindicted defendant in a case involving an indexed loan from Argos Housing Savings and Loan for the purchase of an apartment. Former Minister Martinez de Hoz testified twice in the Greco case.

In October, Martinez de Hoz showed up on his own to testify in the suit filed by Peronist attorney Jorge Sola, who charged the former

minister with fraudulent management and violation of the duties of a public official for lacking objective reasons to expand the country's foreign debt. The judge in this case, Mario Anzoategui, had to give the Central Bank an extension so that it could report on the exact amount of the debt and its pattern, the use to which the funds entering the country were put, the names of loan intermediaries and the amount of the commissions they received.

In December he testified before Judge Pedro Narvaiz as a defendant in the suit filed by Guillermo Patricio Kelly in connection with YPF debts. The suit was based on Articles 2 and 3 of Law 17,597, which have to do with rates and prices, and on Article 6 of Law 17,319, non-compliance with which constitutes a violation of public official duties.

In December as well, the head of the National Office of Administrative Investigations, Luis C. Cabral, asked Federal Judge Fernando Zavalia to prosecute the members of the Central Bank who were involved in the liquidation of the BIR, the Los Andes and Oddone banks and Promosur finance company. The indictment affects Adolfo Diz (president at the time), Christian Zimmermann (vice president) and Alejandro Reynal (who replaced Zimmermann), among others. Martinez de Hoz and retired Gen Jorge Rafael Videla have been called as witnesses in this case and must appear in court in April 1983.

Former President Videla will testify in writing. The reason that he has been asked to testify is that during his administration a bill ordering the refunding of savings in dollars (the only exception) was rejected by the Legislative Advisory Commission and brought before the Military Junta, which never issued a ruling on it.

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COUNTRY SECTION

ARGENTINA

DAILY ARGUES CASE OF FORMER ECONOMY OFFICIALS

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[Editorial: "The Scapegoats"]

[Text] Argentines have become so thoroughly accustomed to being ruled by military dictatorships that few of them think there is anything morally wrong in agreeing to serve them in some capacity. Those who do, chosen because of their special skills or their political connections, come from many walks of life and represent a wide variety of political doctrines. Their motives range from personal ambition to a genuine desire to serve their country at a difficult moment by trying to mitigate the inevitable evils the dictatorship will bring about, and there are few major political currents in the country that have not been only too pleased to let their members collaborate with de facto military rulers no matter how much they may have detested the regime itself. The radicals, for example, provided the "process" with a number of ambassadors whose primary function was to explain away the large-scale abuses of human rights that characterized it from the very beginning. These people must sooner or later have learned the truth of what was going on but they continued to perform what they regarded as their duty to their country, and, because most political groups have supplied collaborators, nobody criticizes them for this.

This kind of immunity, however, does not extend to the members of the regime's first "economic team," one of whose leaders, Dr Juan Alemann, was reprimanded by a magistrate for failing to denounce human rights abuses when he was in office. But this was only to be expected. Dr Jose Martinez de Hoz and the people who worked with him are now the victims of an energetic defamation campaign in the press and, not surprisingly in the present circumstances, in the courts. They, it seems, have been chosen for the role of scapegoats and have been thrown to the wolves because an attack on them, no matter how violent, cannot be considered an attack on the armed forces and be met with threats or intimidatory telegrams. In the last few months they have been paraded before the courts on a number of different charges and even if they are eventually found guilty of nothing at all their reputations here--but not abroad where allowance is made for the peculiarities of Argentine politics--will have been tarnished.

The latest group of former economic officials to be forced to answer arcane questions about their performance in office include Adolfo Cesar Diz, Alejandro Reynal, Guillermo Walter Klein, and Roberto Martin Abeles. They are not being accused of illicitly enriching themselves at the country's expense, of murdering "missing" people, criminal negligence when preparing the country for war against a foreign power, or any of the other really serious offenses which are now exciting public opinion. Their alleged misdeed is simply that they exceeded their legal authority when taking emergency steps to soften the impact of the collapse of the so-called Greco group of companies centred in Mendoza: had they followed the rules to the letter--a device labour unionists know as "working to rule" and consider a form of strike action--the effect of that collapse would no doubt have been even greater than proved the case. "Exceeding authority" is, of course, a very strange charge indeed to make against the officials of a dictatorship, a form of government which entails the systematic abuse of authority, but this consideration is unlikely to worry anyone out to discredit the former economic team. They had to bear the brunt of the attack against the regime when they were in office and, now they are out, will be sacrificed by it. Their experience should not be forgotten by Argentine civilians if called upon to work for any such regime in future.

CSO: 3300/14

LAW ON SUBSIDY FOR UNEMPLOYED APPROVED

PY260128 Buenos Aires DYN in Spanish 1619 GMT 25 Feb 83

[Excerpt] Buenos Aires, 25 Feb (DYN)--The executive branch has approved a law that creates a temporary subsidy for the unemployed. Funds for the subsidy, which will last for 6 months, will come from a 2 percent tax on interest and readjustment paid on time deposits and from a 2 percent tax on cash prizes of specific sports pools or contests subject to the emergency tax created by Law No. 20,630.

The subsidy, which will be granted starting 1 March 1983, will be 4.2 million pesos for unemployed workers with families and 2.5 million pesos for single persons without children. The subsidy will be granted while the worker is unemployed and for a maximum of 6 months.

The law on subsidies, which was approved under No. 22,752, will benefit workers who lost their jobs between 1 January and 31 December 1982 for reasons "other than dismissal on irrefutable charges" and "provided they have remained unemployed until this law comes into force."

The text of the law also explains that the subsidy will be paid "in cash, in medical services--to be rendered by the social institution of which the worker was a member at the time he lost his job--and by computing, for the purpose of the national retirement law, the period during which the unemployed received the subsidy."

CSO: 3348/232

PT LEADERS ASSESS ELECTION PERFORMANCE, IDENTIFY 'ENEMIES'

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 6 Feb 83 p 4

/Article by Carlos Manente/

/Text/ The Workers Party (PT) has already found its principal enemies in the 1982 election and there are already four new words in the internal vocabulary of the party to identify them: "doctrinairism," "apparatism," "internism" and "electoralism."

It is around those four words that the PT is experiencing its greatest crisis as a political party and it is on the basis of them that, beginning at the conventions scheduled for March (municipal), June (state) and July (national) that it will seek to exorcize its enemies, among which are included, according to the assessments made by the party itself, the influence exercised within the PT by the Socialist Convergence and the Freedom and Struggle (Libelu), parastudent organized groups with radical tendencies of the left, which many of the members of the PT describe as the "fun left."

And it was precisely to criticize the role of those organized groups within the PT that, in the report assessing the results of the elections and performance in the campaign, the national party leadership used the term "apparatism."

"There were those who transformed the election campaign into a sort of primary for apparatist disputes of positions within the party," charges the PT National Executive Committee. "They were not concerned about opening the campaign outward toward the masses, toward the workers, but carried out a campaign within the party, in a struggle typical of an apparatist view of politics." A synonym of that "apparatism" is the word "internism," with which those responsible for the assessment of the PT campaign describe the internal struggles that many times were even more intense than those waged against the members of other political parties.

"Doctrinairism"

"Doctrinairism" is the word with which those responsible for assessing the PT campaign describe the tendency of the party politicians to try to impose profound political topics and problems on the masses and workers when the

immediate concerns of those people are other, more pressing ones, such as their own survival, the feeding and health of their children.

Here is the assessment of the PT National Executive Committee in that regard: "We kept attacking general questions, relegating specific questions to a secondary level. An example of that is in the doctrinairism characteristic of many of our campaigns." And further on, it says: "Many of us preferred to assume doctrinaire positions of preaching in the abstract in favor of socialism. Others transformed the elections into a time for merely brandishing slogans against the bosses, against the dictatorship, etc., without any real concern about day-to-day specific concerns of the workers and the people.

"On television," continues the PT National Executive Committee, "the presentation of the slogans of our candidates, because of our naivete, almost took on the character of a police dossier" and "we similarly erred in giving too much space in our campaign publicity to certain demands of the minorities which we had neither the space nor the time to explain."

There was also criticism of "electoralism" that is, a type of conduct according to which some PT candidates concerned themselves first of all with themselves and their own election, without caring about the party, its general platforms and its principles of political and personal conduct.

Renewal

The PT leader in the Legislative Assembly, Deputy Marcos Aurelio Ribeiro, is one of the politicians who supports with greater emphasis the need for renewal of the party cadres in order that each "each wing may have representation in the party structure corresponding to its real dimensions."

According to him, "It is essential that that renewal begin now, in the coming municipal and state conventions as well as the national convention, because what is happening now is that certain organized groups have more representation than action and the election results show that: they did not succeed in electing their candidates."

Marcos Aurelio Ribeiro does not mention them by name but the organized groups to which he refers acting within the PT, in addition to Socialist Convergence and Libelu, are the Emergency Movement of the Proletariat (MEP), the Red Wing, the Spark /Centelha/, the Workers Cause, and a dissident faction of the Communist Party of Brazil (PC do B), which in turn is a dissident offshoot of the Brazilian Communist Party (PCB). The other faction of the PC do B, like the PCB, supported and advised its followers to join the Brazilian Democratic Movement Party (PMDB).

"Such groups," continues the deputy, "want to get close to the trade unionists because they have never been able to make any penetration into the unions and they want to use the PT for that. At the same time, they aim to weaken the parliamentary segment of the PT and that explains the attacks and the campaigns carried out within the party itself against deputies such as myself, Eduardo Matarazzo Suplicy, Sergio Santos, Irma Passoni, Geraldinho Siqueira or Airton Soares.

"I am not advocating simply excluding those groups from the party," explained Marcos Aurelio Ribeiro, "because that would not be democratic. But leave them with the representation that corresponds to their strength and the number of people they represent."

The PT Grew

In many points, the former student leader and today one of the principal political organizers of the PT, Jose Dirceu, agrees with the analysis of Marcos Aurelio Ribeiro. "The Workers Party did not get the number of votes it expected or that had been expected by even its own adversaries. However, there is an unquestionable fact: the PT grew after the election. In Sao Paulo, for example, we elected five councilmen and we did not have any; nine state deputies, and our bloc had been comprised of six; in addition to six federal deputies, when our bloc in the Chamber had been two deputies."

He cites figures for the interior of the state, cities where the PT elected councilmen, or Diadema, where the elected mayor belongs to the PT, to show that "after the elections, the PT is bigger." He believes, however, that renewal in the directorates of the party is necessary and that it will occur in the coming elections /in the conventions/.

There are other measures that the PT must adopt now, according to Jose Dirceu, and the first one is "to really turn toward the trade union popular movement." In addition, to promote the "political education of its members, and establish "a material and organizational structure that can support the PT in those aspects and take care of its needs."

He considers it important, for example, to create a press within the PT "through which the trade union experiences of distant comrades can be shared, where there may be an exchange of ideas. As a result of that, isolated movements and errors repeated due to lack of information will cease to exist."

"The PT," said Jose Dirceu, "needs to redeem its internal democracy, create channels of communication and participation. It is not the material means that we lack. From the sale of our campaign material alone, we managed to collect substantial funds, in the order of 40 million cruzeiros per month during the campaign. Those are the figures of a very strong party. Now what is necessary is to correct the shortcomings and use all of that potential in behalf of the workers' causes.

Great Potential

The PT participated in an election contest "without being organized for a fight of that caliber," according to the analysis of former procurator Helio Bicudo, candidate for vice governor for the PT. "Now," he continued, "it is normal that its cadres should be rearranged."

According to Helio Bicudo, the votes given to the Workers Party do not exactly reflect all of the election potential of his party because there are other things to consider. "There was the 'useful vote' campaign, which influenced

large areas of public opinion, in which the vote given to the PT was presented as a way of dividing the opposition, and unfair doubts were also raised regarding the ability of Luis Ignacio da Silva, "Lula," to govern Sao Paulo. That put off many PT voters, people who can follow the party today."

He calls attention to the "great mobilization potential demonstrated," and points out that by "workers" should be understood "both the manual and intellectual workers, as well as the small merchants and proprietors. This is the time to organize a party that really represents the workers, without concerns about ideologies."

"But what was seen in the rallies was something a little different: the people were not interested in the appeals against the military dictatorship. The people are more concerned about their work and their hunger, about their wages and their day-to-day life, about their safety and education. It is not intellectual jargon that is going to gain a response from the people but rather the real problems of the workers," concluded Helio Bicudo.

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CSO: 3342/64

GOLBERY COULD BE UNDERMINING FIGUEIREDO'S CANDIDATES

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 3 Feb 83 p 2

/Commentary by Carlos Chagas: "Dr Silvana Returns"

/Text/ Suddenly, those in the government and its immediate vicinity are beginning to acknowledge a sort of campaign or insidious plan to discredit the possible presidential candidates linked to General Joao Figueiredo. From Major Curio, a new deputy, to Brigadier Delio Jardim de Mattos and first-level presidential palace aides and even the candidates themselves, the conclusion is becoming unanimous: somebody with a lot of influence and power is trying to destabilize the present succession strategy and, in the manner of the old Wild West, is trying to shoot down one by one the future aspirants to the presidency capable of receiving Figueiredo's timely support.

It is irrelevant to conclude that the ammunition used is real and not makebelieve, inasmuch as the episodes raised against the candidates really do not sit well, whether or not they have direct blame in each case. What matters more is to acknowledge that, exposed in a more or less open manner, they have all emerged wounded from a process or a volley unleashed by a masked rider, barring better verification, a mixture of Zorro, Trinity and Lampiao. Who knows, perhaps it would be more worthwhile to label him a Dr Silvana but the danger would be, because of past images, that we would not resist the hasty temptation to see General Golbery do Couto e Silva garbed in the smock of a mad scientist, the archenemy of mankind (at least the mankind in the presidential palace). For the time being, although coincidences exist, and even interests satisfied, proof is lacking.

The first to be shot down in that duel, in which the victims are out in the street but the gunman is in the dark corner of some alley, was Interior Minister Mario Andreazza. The Delfin scandal exploded overnight, ironically criticized for the first time by an important Sao Paulo broker linked to Paulo Maluf, who for his part has been mentioned as a candidate or as a maneuvering asset of General Golbery. With supposed support for the former governor of Sao Paulo, the former chief of the Civilian Household would like to level out the two aspirations, showing that Andreazza and Maluf are equal in quality and characteristics, which at the very least represents a great injustice to the minister of the interior. The latter, in the meantime, absorbed rather than pass on the onus for the crisis generated by the action

that linked the National Housing Bank (BNH) to the defaulting and criminally liable brokerage house. They say that he could have done so easily if he had wanted to pursue the course of the matter of funds for the Social Democratic Party (PDS) campaign in Rio de Janeiro. Many of the private companies that contributed billions of cruzeiros to Wellington Moreira Franco's campaign began to settle accounts or to receive their unsuccessful investment back.

Later, the shot from the dark struck the new former Senator Jarbas Passarinho who, owing to the election defeat in Para, may have lost the capability to become a candidate for the presidency but who, if made a minister, could recover and at least aspire to the vice presidency. Coincidentally, he and Golbery do not get along; quite the contrary. The appointment and activation of employees in the senate, more than 600, including the children of the former minister, may not have honored his administration, despite the fact that unfortunately they are routine at the end of each legislature. But the coincidence should be noted.

Then, the double onus laid on General Octavio Medeiros, with the case of the death of the journalist Alexandre von Baumgarten. Once again, it is worth making the reservation that nothing better could have happened to the country than confirmation of the presence of the National Intelligence Service (SNI) in areas that transcend its legal bounds. It was something that everyone knew but for the first time, it is documented. The intrusion of that agency in the field of the communications media by incentives to venal magazines--proven--as well as its activity in the police sector--to be proved--represent real chillers for those who imagine that Brazil can dispose of the litter accumulated over so many years of declared dictatorship. As a government agency for intelligence about what is happening in society, the SNI will have its place even in democratic administrative structures, but as the monster into which it was transformed, as the master of good and evil, of life and death, never. Because those unlimited activities, as is being shown, tend as much to corruption as to the establishment of a completely arbitrary system, superior even to the authority of the president of the republic. The involvement of Generals Octavio Medeiros and Newton de Oliveira e Cruz, the latter the chief of the Central Agency, as well as that of other leaders and agents of the SNI in the attempt to resurrect and preserve the magazine O CRUZEIRO through the public treasury is simply scandalous. As for the rest speculated, don't even mention it. The coincidence? Even greater than the previous ones because, when he left the Civilian Household in August 1981 as a result of profound differences with General Medeiros, Golbery swore that he would do everything to prevent him from reaching the presidency. The very comparison of the SNI to a "monster" was his handiwork, calling attention to the fact that the publication that first raised the case of Von Baumgarten is closely linked to him.

One cannot go to the extreme of seeing the finger of the masked avenger in the illness of Vice President Aureliano Chaves, another obvious candidate for the presidency of the republic. But the opportunity appeared and was taken advantage of, as always happens in those situations. The former governor of Minas was ill and immediately the most contradictory stories emerged about the source and the consequences of his state of health, the principal one,

that "unfortunately he could no longer hope to aspire to the presidency of the republic." It is no secret that Aureliano Chaves and Golbery do Couto e Silva had only protocolar relations and that they reached the near-breaking point when Petronio Portella was replaced by Ibrahim Abi-Ackel, as well as over problems connected with Minas Gerais politics. The vice president, too, would never be the dream candidate of the former chief of the Civilian Household.

Suffice it to add two and two. Of the list of possible candidates, four have been seriously shot down in recent days although they may be in a condition to recover, some more than others. Two of equal influence are left, and by another coincidence they are said to be the real or strategic preferences of Golbery: Paulo Maluf, perhaps to serve as a kamikaze, and Costa Cavalcanti, who many people believe to be his chosen one in pectore. Marco Maciel, recently elected to the senate, may become a subsequent option or alternative for the vice presidency. It is worth observing the three because if they are hit in the next few days, they will force a profound revision of the reasoning or the speculation expounded above.

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CSO: 3342/64

MISSIONS TO THIRD WORLD COUNTRIES REFLECT TRADE POLICY

Mission to Nigeria, Iran

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 9 Feb 83 p 23

/Text/ Brasilia--The Finance Ministry has already begun to organize two new joint--government and businessmen--trade missions to Iran and Nigeria for the purpose of formalizing bilateral agreements for the exchange of Brazilian goods and services for oil. Within 30 to 40 days, the secretary general of the ministry, Carlos Viacava, who was in Algeria last week, should be traveling to that region in search of more markets for Brazilian products.

The new offensive is part of the government's plan to intensify trade exchange with the countries of the Third World, in order to guarantee exports amounting to \$23 billion this year. In addition to the missions to Algeria, Nigeria and Iran, there are already quite advanced negotiations with Argentina, Mexico, Venezuela, East Germany, Hungary and Poland with a view to formalizing bilateral agreements.

Despite the financial difficulties which those countries face, which reduces their purchasing power, the secretary general of the Finance Ministry believes that the goods exchange route is a good solution for debtor nations such as Brazil, which need to export in order to cope with the crisis. "Since there are no dollars to pay for the goods, we are going to work on a barter basis," he asserted.

Viacava believes that Brazil has great bargaining power to opt for that type of policy. "Our deficit with the oil-exporting countries last year was \$6 billion. We can very well use that maneuvering strength to sell our products," he said. He explained that the government does not plan to abandon the criteria followed until now in the purchase of oil, namely, best price and quality as well guaranteed supply, but it is going to add another factor to that strategy; that of reciprocity.

For those countries that do not export oil, such as Argentina, Chile, West Germany, Hungary and Poland, the solution is to study what they can offer, both in raw materials and equipment, and try to trade, explains Viacava. He recalled the case of Algeria, where negotiations were held with a view to doubling trade exchange, which will go from \$200 million to \$400 million this

year. "Algeria imports \$15 billion and everything it purchases, Brazil produces. It is only a question of going there and examining what can be done. The Brazilian exporters need to familiarize themselves with those markets," emphasized Viacava. It is for that purpose, to show the potential of the markets to the Brazilian businessmen that new missions are being organized.

The truth is that Brazil needs to increase its exports by 15 percent compared to last year in order to guarantee the surplus of \$6 billion essential to put the balance of payments account in order. "Only by battling daily shoulder to shoulder can we succeed in achieving that task," Viacava is in the habit of reiterating.

Last year, Brazilian exports to Iran were a little over \$100 million against imports in the same amount. But that trade had already reached \$238.9 million in exports in 1980, against \$733.7 million in imports. Trade relations decreased because at the beginning of the Iran-Iraq war, the Brazilian Government gave preference to its negotiations with the Iraqi authorities.

With Nigeria, the bilateral trade account has not exceeded \$500 million, remaining balanced, but Brazil had already sold \$770 million to that country in 1981. The prospects are that the export of Brazilian goods to that market, depending on that mission which will leave by the end of March, will reach \$1 billion in 1983, compared to \$250 million last year.

Increased Exchange With Algeria

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 3 Feb 83 p 23

/Text/ Brasilia--The secretary general of the Finance Ministry, Carlos Viacava, a delegation of 26 businessmen from the private sector and directors of public companies and agencies are leaving for Algeria tomorrow to begin trade negotiations that would increase the bilateral exchange from the \$350 million reached last year to \$1 billion this year. The trip is part of the Brazilian foreign trade policy of regaining the African and Latin American markets for the purpose of insuring achievement of a \$6 billion surplus.

In addition to engineering services, planes, railroad equipment and transport equipment in general, Brazil will try to sell paper, steel products and food items such as coffee, beef, chickens and soybean, in exchange for oil, phosphate and other mineral products produced in Algeria. The expectation of the Brazilian authorities is to conclude deals in the amount of \$400 to \$500 million with those goods and services. The negotiations are encountering some difficulties since Algerian oil is one of the highest priced in the market because of its high quality.

Since April of last year, when Finance Minister Ernane Galveas was in Algiers, heading a trade mission of more than 80 businessmen, few deals have been concluded between the two countries. Viacava is now trying to get a formal commitment from the Algerian Government for the negotiations begun at that time, especially in the area of the construction of 20,000 housing units, the

Finance Ministry Building and hotels in tourist spots. To discuss those contracts, the directors of the Mendes Junior, Rabello and Guaranta construction companies are traveling with the delegation. The initial agreement was that those construction companies would form a consortium for the civil projects while at the same time, the Bank of Brazil would open up lines of financing for export of the material and equipment necessary for the construction of those houses and buildings.

Another area with good possibilities of deals being concluded during the 5 days that the Brazilian delegation will stay in the Algerian capital is that of railroad equipment. Negotiations are practically concluded for the export of 140 locomotives by General Electric, and railroad cars, in the amount of \$300 million, by Mafersa. Representatives of the Brazilian Aeronautics Company (EMBRAER) also see prospects of deals involving the Bandeirante plane, which is already a success in the United States and European countries.

The delegation also includes representatives of Cacique Instant Coffee, Cotia, Bordon Packing Houses, Ripasa, Villares, Recrusul, PETROBRAS Foreign Trade Corporation (INTERBRAS), Brazilian Petroleum Corporation (PETROBRAS), Rio Doce Valley Company, Brazilian Industrial Projects Company (COBRAPI) and officials of the Ministries of Transportation, Foreign Affairs and Industry and Commerce. In addition to Viacava, the chief of the ministry's international department, Tarcisio Marciano da Rocha, will also be in Algiers, proceeding there from Davos, Switzerland, where he is accompanying Minister Galveas for a business symposium, and the experts Narciso Carvalho of the Foreign Trade Department of the Bank of Brazil (CACEX), and Nery Althof, of the Central Bank.

Simultaneous with the meetings between Brazilian businessmen and the directors of related government companies and agencies, the secretary general of the Finance Ministry will have contacts with the finance minister and the secretary general of the Foreign Ministry of that country.

In the past 2 years, the trade balance between the two countries has been unfavorable to Brazil, although in 1980 Brazilian exports to Algeria in 1980 were double the imports. Last year, Brazil bought about \$180 million from that country, basically oil, and exported approximately \$120 million. In 1981, the deficit was \$22 million since Brazil exported \$267 million but imported \$289 million.

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ARGENTINA, CHILE THREATEN TO SURTAX BRAZILIAN EXPORT GOODS

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 3 Feb 83 p 28

/Text/ Brasilia--Argentina and Chile again threatened to impose surtaxes on the exports of Brazilian products to their markets after several antisubsidy and antidumping actions were suspended and closed last year in lengthy individual negotiations by the governments of the two countries with Brazilian officials and companies.

Argentina is trying to prevent Brazilian automobile spark-plug, jute and polypropylene companies from selling their products to Argentine consumers, while Chile wants to restrict the Brazilian exports of macaroni, towels in general, and steel cables. The petitions by the directors of the companies that manufacture products similar to those imported were accepted in principle by the Argentine and Chilean governments but irritated the Brazilian Government, which had considered the matter of bilateral retaliations with the Latin American partners over.

The revolt is understandable when the financial difficulties that all Latin American countries are facing are mentioned, and when it is observed that all try to solve the balance of payments problems by increasing exports. Those petitions by our neighbors for the initiation of legal actions are not justified at a time when the markets are closed and all are threatening protectionist practices," said one observer.

In the case of the spark-plugs, jute and polypropylene, the Brazilian Government has already sent its defense to the Argentine subsecretariat of commerce, which approved the petition of the businessmen and initiated anti-subsidy actions. The Brazilian experts who worked on the preparation of that defense argue that the Argentine system of supporting its exports grants the businessmen and production directed toward the foreign market much more subsidies and incentives than does Brazilian policy.

With regard to the Chilean action, the Central Bank of that country has not yet formalized acceptance of the petition from the businessmen but everything indicates that it will be accepted.

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CSO: 3342/64

TRADE BALANCE SHOWS SURPLUS OF US\$ 155 MILLION IN JANUARY

Rio de Janeiro O GLOBO in Portuguese 8 Feb 83 p 19

[Text] According to figures released by acting Finance Minister Carlos Viacava on 7 February, the trade balance showed a surplus of US\$ 155 million in January. Exports reached US\$ 1.57 billion as opposed to imports of US\$ 1.41 billion. Though still insufficient to guarantee the total surplus goal of US\$ 6 billion in 1983 (the monthly average will have to reach US\$ 500 million), the balance of US\$ 155 million was considered by Viacava to be "extremely favorable" because "the first months of the year are always weak and January traditionally shows a deficit in the trade balance."

Normally, he noted, the positive balance is more pronounced in the last six months of the year. We expect more significant figures for exports beginning in April when there will begin to be a greater availability of agricultural products, such as soybeans.

In relation to January 1982, the trade balance showed a decline of 4.74 percent in the value of exports and a reduction of 14.46 percent in imports. According to Viacava, that trend will have to be reversed with regard to exports, which will have to grow 10 to 15 percent in relation to 1982 in order for the balance of US\$ 6 billion forecast by the government to be achieved. In the case of imports, the reduction is within the framework of what was anticipated as a result of the controls established beginning at the end of 1982.

"Viable Goal"

According to the acting Minister, however, the Government need not adopt any new measure to increase sales abroad, sufficing it "to work hard within the program that has already been approved." The surplus goal of US\$ 6 billion, he said, is "venturesome but achievable."

According to Viacava, the decline in export earnings also reflects the reduction in prices of Brazil's principal export products, comparing the months of January 1982 and 1983. In relation to the last three months, however, an improvement in the quotes on products such as sugar, cocoa, soybeans and corn

has now become apparent, which reinforces the Minister's expectation that earnings will improve from now on.

Other positive factors cited by Viacava were the reduction in interest rates on the international market (which favors the formation of stocks and influences the volume of purchases by importers) and the reestablishment of some lines of credit abroad for the financing of Brazilian exports. Those lines have been suspended since the worsening of the international financial crises in September 1982.

With regard to imports, Viacava anticipates petroleum purchases abroad in 1983 to be at a maximum of US\$ 8.4 billion or US\$ 8.5 billion, based on the reduction in expenditures observed during recent months. Last year, the total amounted to US\$ 9.5 billion, and the program, approved by the CMN [National Monetary Council] for the foreign sector in 1983 anticipates an expenditure of US\$ 9.1 billion. The difference, according to Viacava, is explained by the fact that the CMN program was formulated at a time (October) when the final 1982 figures were not yet known.

BALANÇA COMERCIAL			
(US\$ MILHÕES)			
Exportações	Importações	Saldo	Variação (%)
- Total	1.500	1.647	- 4,74
- Café	161	147	+ 9,52
- Outros	1.408	1.500	- 6,01
Importações			
- Total	1.414	1.653	- 14,46
- Petróleo	826	892	- 7,40
- Outros	588	761	- 22,73

Fonte: Ministério da Fazenda.

CSO: 3342/69

AVIBRAS DEVELOPS MULTIPLE LAUNCH ROCKET SYSTEM

PY160110 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 4 Feb 83 p 5

[Article by Roberto Godoy]

[Excerpts] Campinas--"Astros I," a mobile, multiple launch rocket system which can completely reverse the course of a battle, is being produced by the Avibras Aerospace Company in Sao Jose Dos Campos. "Astros I," the best kept secret of the Brazilian military industry, is designed to compete on the international market with similar weapons made by the United States ("MLRS"), Germany ("LARS"), France ("RAFALE"), Italy ("FIROS 25") and by South Africa and Israel ("ARS-127").

At Avibras, the project is still treated as "classified" and its commercial director, Pedro Vial, feels he is only authorized "to confirm the existence of this project which is in its final pre-assembly stage." It was also learned from sources linked to this sector that the project began in 1981 when the company was asked by foreign customers to invest in this new idea. The basic model which was then created was apparently attractive to more than one Arab country and thus a contract was then signed which is now being implemented. The first delivery, in the modularized SS-30 version, will be made between July and November.

The "Astros I" is made by Tectran, a subsidiary of Avibras. Its basic structure consists of a three-axle heavy duty armored vehicle with bullet proof tires which can move on any kind of terrain with a maximum loading capacity of 5 tons. The weapons system consists of a mobile, hydraulic mount on which four containers are fitted. Each container holds eight 127mm rockets with warheads of up to 20 kg, whose maximum range is 32 kilometers. Each salvo of 32 rockets expels 640 kg of "HE" (high explosive) ammunition or a combination of antipersonnel and antiarmored mines at its target.

A major feature of the "Astros I" is its mobility. The time span for firing 32 rockets is less than 1 minute and empty containers can be replaced in no more than 6 minutes.

CSO: 3342/66

IMBEL TO RESUME PRODUCTION OF GUNPOWDER

PY151737 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 13 Feb 83 p 5

[Text] Brasilia--The ordnance industry--IMBEL--hopes to install this year the new unit for manufacturing single and double-base powder in its Piquete (Sao Paulo) factory, replacing the unit destroyed by an explosion 2 years ago.

According to sources related to the enterprise, the equipment will be imported and costs a lot of money, because it is one of the most sophisticated ones and is adapted perfectly to the modern Brazilian technology of manufacturing powder and propellents.

Brazil is currently importing single and double-base powder although it is the largest exporter of war materiel among the developing countries, providing supplies to 38 countries.

Among its new explosive production units, IMBEL has a casting propellant plant [usina de proepientes moldados], a TNT plant and an experimental cyclonite [hexogenio] plant. It is also developing several special projects: The nitrocellulose project at the Presidente Vargas factory, which consists of the construction of a plant with a capacity of producing from 6.5 to 10 tons daily, and the expansion of the production of explosive clay [lavas explosivas] and plastic explosives.

The other sector with which IMBEL is concerned is that of ammunition which Brazil is beginning to export, especially light ammunition produced in association with the Brazilian Cartridge Company in Rio de Janeiro. Heavy ammunition will also be exported, possibly on a larger scale, such as ammunition for the tanks produced by ENGEZA [Specialized Engineers, Inc.], which are equipped with 90mm cannons. IMBEL is also producing ammunition for artillery more commonly used by the army: rounds of 40, 105, 155mm.

CSO: 3342/66

BRIEFS

ARGENTINE AID FOR POLAR SHIP--Brasilia (O GLOBO)--In an interview granted to the Brazilian News Agency [EBN], Navy Minister Maximiano da Fonseca stated yesterday that Argentina has offered to cooperate in any contingency to rescue the polar ship Barao de Teffe, which is having mechanical problems in the Antarctic. According to the minister, there already is a security system which includes a tugboat stationed in Rio Grande (Rio Grande do Sul State). Nevertheless, emergency measures will not be implemented. The situation has been normalized and the ship has practically fulfilled all its established programs, the minister stated. He added that the polar ship's entire communications system has been restored. The Barao de Teffe has some of the best communications equipment in the nation, because it uses the "Intermarsat" system. The minister said that the Barao de Teffe will arrive at the port of Rio Grande on 20 February and will be submitted to an inspection and refitting. The minister also reported that a delegation of Polish technicians will meet on 10 March with naval engineers from the Navy Ministry to discuss details of the polar ship that will be built in Poland for Brazil. The ship will be ready in 2 years. [Excerpts] [PY151311 Rio de Janeiro O GLOBO in Portuguese 12 Feb 83 p 6]

VICE PRESIDENT LEAVES HOSPITAL--Belo Horizonte--Vice President Aureliano Chaves stated today that he will support any decision made by President Figueiredo regarding the presidential succession. The vice president made these statements during an interview granted shortly before leaving the hospital in Belo Horizonte where he had been interned since 25 December to have a subcutaneous abcess removed. Aureliano Chaves has to remain in Belo Horizonte for another 22 days for a change of dressing and removal of stitches. [Text] [PY120055 Porto Alegre Radio Guaiba in Portuguese 2150 GMT 11 Feb 83]

RAIN DAMAGE REPORT--Gen (Anibal Gurgel de Amaral), secretary of the Interior Ministry's Civil Defense Department, today in Brasilia issued a report on the damage caused by the heavy rains which have been affecting several Brazilian areas for some days now. (Gurgel de Amaral) disclosed that in southeastern Brazil 3,800 people are homeless. [Begin (Gurgel) recording] In Minas Gerais there are 86 affected townships, 737 homeless people, 68 deaths, 244 destroyed houses, 781 damaged houses and 59 destroyed or damaged bridges. In Sao Paulo there are 29 affected townships, 2,250 homeless people, 8 deaths, 14 destroyed homes. In Rio de Janeiro there are 6 affected

townships, 580 homeless people, 8 deaths, 20 damaged houses and 2 destroyed or damaged bridges. [End recording] Only the states of Parana and Santa Catarina were affected by the rains in the south. [Words indistinct] Santa Catarina were affected, about 80 people have been left homeless mainly because of the overflowing of the (Presidente Pires) River. [Begin (Gurgel) recording] The central western area has been quite badly affected by the rain during the past few days. In the state of [Santa Catarina, there are about 80 homeless] people. [End recording] According to the Interior Ministry secretary, the state of Para is the most affected one in the north. The city of Maraba is the most affected in this area because of rising of the Tocantins River, which has already flooded the old part of this city. He added that if the rain continues measures will have to be taken. [Excerpt] [PY120059 Brasilia Domestic Service in Portuguese 2200 GMT 11 Feb 83]

NAVAL DISTRICT HEADQUARTERS DEDICATED--Navy Minister Maximiano da Fonseca has dedicated the new headquarters of the Fifth Naval District in Rio Grande. The fifth district was previously headquartered in Florianopolis. [PY122352 Brasilia Domestic Service in Portuguese 2200 GMT 8 Feb 83]

CSO: 3342/66

COUNTRY SECTION

COLOMBIA

PEACE GROUP OPTIMISTIC AFTER MEETING WITH FARC

PA130117 Bogota Cadena Radial Super in Spanish 1730 GMT 12 Feb 83

[Text] Bogota--The Revolutionary Armed Forces of Colombia, FARC, are truly interested in peace as long as they receive the required guarantees to reach agreement with the government. FARC cannot agree to a truce as long as the constant army harassment operations continue in the guerrilla areas. In reference to the above and other aspects related to the dialogue between FARC and the peace commission members, Alberto Rojas Puyo, one of the members of the group created to seek the nation's pacification, made the following statement:

[Begin recording] We have begun our activities with an initial meeting on 29 and 30 January with the FARC general command. We must say we found an excellent and receptive attitude on the part of the guerrilla leaders, who voiced their desire for peace and for implementation of the measures issued by the government, including the amnesty law.

Naturally, as expressed by President Betancur, with whom I totally concur, this will be a long process; therefore, one cannot expect everything to be resolved merely through the amnesty law. We must consider the many years of fighting; such a conflict cannot be settled overnight. We are aware, however, of President Betancur's firm determination on his peace policy.

On the part of the FARC general command, we have observed--as I said before--a most favorable disposition for peace; therefore, I feel we can be optimistic, although we must wait for the upcoming contacts and dialogues that may constitute the mechanism that will effectively serve to end the war. [End recording]

You have just heard a statement by Alberto Rojas Puyo of the Communist Party of Colombia and member of the peace commission.

CSO: 3348/203

POLICE DIRECTOR ON MODERNIZATION PLANS

PA141647 Bogota Emisoras Caracol Network in Spanish 1215 GMT 14 Feb 83

[Text] Bogota--Brig Gen Francisco Jose Naranjo Franco, director of the national police, has said that the modernization of this institution will cost at least 10.5 billion pesos.

In a statement for the "Personality of the Week" program, General Naranjo announced that a minimum of 25,000 new officers will be hired, and that automotive equipment will be purchased at a cost of 4.2 billion pesos. In addition, communications services will cost 3.5 billion pesos, armaments 2.5 billion, laboratory equipment 630 million, and horses for carabineros 240 million, he added.

General Naranjo Franco was confident that the government will immediately allocate the funds necessary for the restructuring of national police human and technical resources, in which case the new equipment would be available in 4 months.

On another subject, the national police director said that he will continue his efforts to eradicate irregularities. He added that prior to hiring new personnel, the psychological, moral and family background of the 90,000 applicants will be investigated.

He urged citizens to improve relations with the police. At the same time, he said he is opposed to the reestablishment of the state of siege, since he feels that security can currently be maintained without having to resort to this wornout constitutional provision. Everybody--including the government--agrees that the state of siege has not helped much, because we are already used to it and because it is only a variation in the administration of justice, General Naranjo Franco said in his statement to Caracol. He added that only an extremely dangerous situation would make it necessary to reinstate the state of siege.

CSO: 3348/203

BRIEFS

BETANCUR SEEKS COOPERATION AGAINST CRIME--Bogota--Colombian President Belisario Betancur has requested that the nation support the army officials in their struggle against organized crime. He warned that Colombians can rest assured that the public forces are superior to those of the criminals. Betancur said: Honest citizens must know that the government remains vigilant. We are strengthening the police with modern equipment, including communications equipment and helicopters. We are modernizing the security corps so that crime is stopped and criminals punished. Betancur made these remarks during a meeting with a group of citizens from Magdalena. He also urged the community to cooperate with the army, police and security corps in order to hasten the process of rehabilitation, pacification and surrender of those up in arms, to protect honest people against all kinds of threats. Betancur offered the government officials' discretion and secrecy towards those citizens who decide to denounce criminals, especially those criminals who are harassing the peasants. We must take a stand and face up to these criminals; we must remain in this homeland, which must become great and secure for all. We will severely punish these criminals, Betancur said in conclusion. [Text] [PA151713 Bogota Emisoras Caracol Network in Spanish 1215 GMT 15 Feb 83]

CSO: 3348/203

MEDALS AWARDED TO OFFICIALS IN BEIRUT EMBASSY

Report on Ceremony

Havana GRANMA in Spanish 22 Jan 83 p 5

[Article by Reynold Rassi]

[Text] "The strong conviction that these comrades whom we decorate are an expression of the revolutionary courage and combativeness of all our people and our representatives outside Cuba makes us proud," Carlos Rafael Rodriguez, member of the Politboro of the party, stated at the ceremony to present the Internationalist Soldier Medal, Second Class, to representatives of the Cuban mission in Beirut, Lebanon.

The medal, granted by the Council of State, was presented to: Jacinto Vazquez, Cuban ambassador to Lebanon; officials Rodolfo Blain, Dagoberto Beltran and Angel Hugo Ferrant; and Leonel Nodal, correspondent for PRENSA LATINA. They are all in our country now. It was also granted to the following comrades who are still in Lebanon: Raul Rodriguez, Rafael Leiva, Angel Roque, Ramon Hernandez and Salvador D. Hernandez, officials of the Cuban Embassy in that country.

This high award was presented to this group of Cuban officials for maintaining upright conduct and a courageous stance during Israel's criminal invasion of Lebanon and the Zionist genocidal bombardments of West Beirut. They demonstrated Cuban international solidarity with the Palestinian soldiers and the Lebanese progressive movement.

As part of the solemn ceremony, Isidoro Malmierca, minister of foreign relations and a member of the Central Committee of the party, presented the award to Ambassador Jacinto Vazquez and the other comrades present.

In his speech, Carlos Rafael Rodriguez stressed the attitude and work of the Cuban officials in Lebanon and referred in general to the selfless work of those who carry out missions abroad.

Jacinto Vazquez, speaking in the name of his comrades, stated what a great honor it was to receive this award. He expressed their willingness to do any task assigned to them.

The ceremony was also attended by: Jesus Montane, alternate member of the Politboro; Hector Rodriguez Llompart, minister-president of the CECE [State Committee for Economic Cooperation] and a member of the Central Committee of the party; Melba Hernandez, secretary general of AALAPSO; Imad Jada'a, PLO representative in Cuba; and vice ministers and other workers of MINREX [Ministry of Foreign Relations].

Rodriguez Speech

Havana GRANMA in Spanish 22 Jan 83 p 5

[Speech by Carlos Rafael Rodriguez, member of the Politboro of the party, at ceremony presenting Internationalist Soldier Medal, Second Class, to members of the Cuban Mission in Beirut, Havana, 21 January 1983, Year of the 30th Anniversary of Moncada]

[Text] Every Cuban's job is his trench. In front of factory equipment or in the field, at the university, in the operating room, on the sports field or in the classroom, his work is combined with constant combat readiness. The revolution gave some comrades the task of joining the FAR and becoming look-outs and guarantors of our defense. In this land where, as Camilo said, the army is merely the uniformed people, we are all proud to consider ourselves soldiers.

Nevertheless, there are thousands of men and women from our country who have the privilege and the duty to put into practice Jose Marti's motto. As we honor him now on his 130th anniversary, he reminds us that the "fatherland is mankind." In Ethiopia or in Angola, they have been the bearers of revolutionary internationalism, responsible for confirming that, for the Cubans, the trenches of freedom in other lands are also our trenches. They have the honorable title of internationalist soldiers.

The men and women selected to represent Cuba abroad and advance our diplomatic relations, reinforce our trade ties, carry out economic cooperation, supervise our transportation, develop our fishing or practice socialist journalism constitute, due to the essence itself of their responsibilities, the agents of the policy of peace and friendship, the basic principle that Cuba follows in its international relations. Nothing should lead them to danger; theirs is a mission of peace. They must link our people with the other peoples of the world, establish friendship. Nevertheless, our enemies did not want to let revolutionary Cuba develop its ties in peace. U.S. imperialism converted us into a besieged country, launched its agents specialized in sabotage and murder against us, its arrogant and ambitious mercenaries whom the people of Cuba courageously defeated at Playa Giron. It extended its hatred to the representatives of Cuba in other parts of the world.

Our comrades abroad, almost without exception, have lived these more than 20 years of the unending fight of the Cuban revolution against the blockade and its sequels under constant threat against them and their families. They also have their heroes. Adriana Corcho, Efren Monteagudo, Sergio Perez and Felix Garcia were assassinated in a cowardly way and with impunity by people whom the Central Intelligence Agency trained to kill.

Other representatives of our land, like those whom Cuba honors this afternoon in this simple ceremony, risked their lives to show the Cuban people's solidarity with a noble and worthy cause.

From June to August 1982 was a time of indignation and horror for mankind. It seemed as if we were carried back to the worst times of the Middle Ages. In contemporary civilization when man already lives in space and the mysteries of the atom and cell are being solved, the capital of an independent nation was subjected to a military siege. Every day the systematic artillery firing and implacable and methodical air bombardment created hundreds and hundreds of defenseless victims. The Zionist leaders of Israel, with the complicity of imperialist tolerance, were determined that Beirut would be the burial ground of the Palestinian cause. Against universal protest and in defiance of international law and the most rudimentary principles of mankind, Sharon and Begin shamelessly and defiantly usurped the right to annihilate an entire people. Beirut was virtually cut off from the rest of Lebanon, isolated from the international community. Never has any people given such a display of courage as the Palestinians in Beirut who preferred to die rather than give up the dream of reconstructing the fatherland that had been seized from them, to have their own independent state. Their patriotic fortitude allowed them to resist the threatening demand to surrender that the Israelis repeated hour after hour. Thousands of Lebanese citizens trapped in that vicious siege shared their fate.

The diplomatic representatives of many countries were also there. They were given the alternative of using the benefits of international law that guaranteed safeconduct for them to leave the besieged city or remaining there, facing the same fate as the Palestinians with their proud national flags hoisted above their embassies demonstrating a silent, stubborn and heroic identification with the noble cause that those people defended. Only a few opted for that risky decision, the honorable representatives of socialist Cuba among them.

Those of us who followed the revolutionary behavior of our comrades in Beirut from a distance anxiously and respectfully learned each day how danger surrounded them, how only chance kept the bombs that fell near our residence and our embassy from destroying those redoubts of Cuban dignity. Our comrades did not limit themselves to being merely a presence, as heroic as that was. Each day their messages informed us of effective contacts of solidarity with the leaders of the Palestinian and Lebanese resistance, with Arafat, Hawatme, Habashe and Jumblat. Never were the active Jacinto Vazquez' activities more feverish than when he and his comrades went out in the midst of bombings or in the intervals between battles to carry the stimulus of Cuban solidarity to the Palestinian soldiers in their trenches. We were experiencing day by day and hour by hour the tightening of that blockade which forced us to decide that the women and children must leave there before it was too late. Our female comrades admirably resisted being evacuated. The battle for each street, each house, forced the Cubans to leave their residences to live together in the embassy and forced them to move from the upper floors of the embassy to the barely adequate basement to work or rest a few minutes in the midst of the clamor.

When Jacinto Vazquez had to leave Beirut for some hours due to unavoidable tasks of diplomacy like when he went to welcome Minister Malmierca at the border and accompany him to that danger zone, comrade Blain or comrade Rodriguez Ramos took his post and acted as leaders. Each one did his work simply and naturally just as Marti said it was necessary to do one's duty. Driver Hernandez Sanfiel and Lopez Castro and Hernandez Diaz, bodyguards, drove and took care of our comrades. Leyva Aguilar, Angel Hugo Ferran and Dagoberto Beltran carried out their responsibilities with integrity. The information with which PRENSA LATINA denounced the horrors of that crime to the world was always there, transmitted from Beirut by Leonel Nodal.

We confess today that we did not believe that we would ever again see these comrades whom we now honor. There were times when we perceived a firm revolutionary farewell in Jacinto's messages. We had no other way to reward that extraordinary fulfillment of duty than sending them our recognition and our appreciation. Today the revolution, the party, the government and Fidel express to them the appreciation of the revolution and the fatherland with these medals that will remain on their chests.

The strong conviction that these comrades whom we decorate are an expression of the revolutionary firmness and combativeness of all our people and our representatives outside Cuba makes us proud. They constitute a beautiful sample of the Cuban revolutionary people. Some, like Jacinto Vazquez, represent the men whose revolutionary awareness originated in the proletariat from which they came. They grew up before the revolution, distinguished themselves in the underground struggle and then shouldered arms in the shining days of Giron. Others, like Hernandez Sanfiel, represent the peasantry joining the revolutionary ranks and the Rebel Army. Blain, also the son of laborers, began his revolutionary militancy as a youth when the victorious revolution called him to its ranks. Some of them are true children of the revolution which has made them communist youths and has shown them the ideological path and has given them the cultural training to represent us abroad.

Their staunch behavior as firm revolutionaries has won them the right to be compared to our brothers who fell fighting to insure the independence of Angola or to repel the invasion of Ogaden. They have deserved that title which is in itself an award: internationalist soldier.

Therefore, in the name of the Council of State, by the decision of the party and the government, we will present them today the medal that is the symbol of their beautiful title as verification of their exemplary behavior.

Ambassador to Lebanon Replies

Havana GRANMA in Spanish 22 Jan 83 p 5

[Speech by Jacinto Vazquez de la Garza, Cuban ambassador to Lebanon, at ceremony presenting the Internationalist Soldier Medal, Second Class, to members of the Cuban Mission in Beirut, Havana, 21 January 1983, Year of the 30th Anniversary of Moncada]

[Text] In the name of my work comrades in Lebanon and myself, I want to thank the Council of State, the leadership of the party and, especially, the

commander in chief for the decision to honor us, simple foreign service workers, elevating us to the level of those brave Cubans who, arms in hand, have fought for the liberation, sovereignty and dignity of other peoples.

We also want to thank comrade Carlos Rafael Rodriguez for his kind and gracious words.

We have been doubly rewarded since our appointment to Lebanon that permitted us to be eyewitnesses to the heroic action defending Beirut was itself a great reward. "The legend of Beirut" was written in blood and courage by the Lebanese and Palestinian patriots, especially the leader of the Palestinian revolution, Yasser Arafat.

There were many incentives to fulfill our responsibilities during the attack. The main one was the unparalleled heroism of the Palestinian and Lebanese soldiers defending Beirut. Cuba's militant support to the Joint Forces led by Yasser Arafat made the leader of the Palestinian Resistance exclaim: "Cuba and its president, the great Palestinian Fidel Castro, were always at our side throughout the more than 70 days of aggression." This solidarity was demonstrated when, for example, the commander in chief sent Minister Isidoro Malmierca to besieged Beirut. The newspaper of the Lebanese Communist Party printed on its front page: "The Cuban foreign minister is the only 'Arab' foreign minister who has visited Beirut in these difficult times of aggression and blockade."

The attitude of my work comrades in Beirut is in every way praiseworthy. They are inexperienced men but, in spite of this and their youth, they demonstrated exemplary behavior. They never asked for respite; on the contrary, with courage, firmness, simplicity and revolutionary modesty, they were always ready to join their fates to that of the Lebanese and Palestinian soldiers.

All battlefronts must have a good rearguard. Unfortunately, the heroic defenders of Beirut never had one but the Cuban foreign service workers in Lebanon did have one in Havana. In each minute of the aggression it could be felt: the concerns of our leaders, their messages of encouragement, the immediate responses to our requests and the great support received from our work comrades in Havana culminating in the great mass demonstration held by the workers of MINREX on Monday, 2 August, to repudiate the dreadful 21-hour bombardment the day before in West Beirut and show solidarity with their working brothers in that city.

It would be unfair not to point out the courage of our female comrades who refused to be evacuated. They demanded the right to continue sharing the fate of their spouses as they had since the beginning of the war. This behavior was certainly one more incentive for us.

The Zionist-fascist invasion served to make the ties of friendship between Cuba and the Palestinian Resistance headed by the PLO even closer. Once more the support and solidarity of our revolution for the liberation of the Palestinian people, an important part of the fight for liberation of all peoples in the great battle against imperialism, were demonstrated.

This fills us with pride. We can state that, in that fight filled with sacrifices and heroic acts, the selfless, brave and discerning effort of the foreign service workers will always be remembered.

To use the words of our apostle Jose Marti: "As long as something remains to be done, no one has the right to sit down and rest." We will continue in that battle.

Commander in Chief, command us!

7717
CSO: 3248/517

ORGANIZATIONS REPLY TO CENTRAL COMMITTEE RESOLUTION

UJC Statement

Havana GRANMA in Spanish 8 Jan 83 p 2

[Statement by UJC National Bureau on Resolution of Sixth Plenum of Central Committee of the Communist Party of Cuba]

[Text] On to new and greater victories!

The arrival of 1983 means the 30th anniversary of the action of a veteran group of Cuban youths. Clutching their rifles under the leadership and guidance of Fidel, they decided to put an end to more than a century of exploitation, hunger and poverty in our fatherland.

At the walls of the Moncada, the patriotism of the Cuban youth made Jose Marti's dreams of liberation materialize. The Batista dictatorship was the last of the traitorous and obsequious governments that gave our wealth to U.S. companies, guaranteed oligarchs, landowners and exploiters fortunes amassed with the sweat and blood of thousands of laborers, workers and peasants, denied the black his rights, prostituted women and persecuted or murdered those who rose up to defend the oppressed masses.

A long and painful fight, the sacrifice of tens of thousands of heroic soldiers, was indispensable in order to achieve victory.

Only since 1 January 1959 has Cuba been master of its wealth and its destiny. Only then could it embrace all its children without prejudice, guarantee complete equal rights for women, redeem honest work as the basis of our freedom, open unlimited paths to development for the country and convert each of its children into soldiers of the revolution to heroically repel its enemies.

Thousands of battling heroes won for us the right to a fatherland without illiterates, without gambling, drugs, beggars or prostitutes, with high levels of health and education and with complete social equality. We respectfully dip our battle flags to them and confirm our staunch determination to be more revolutionary today than yesterday and to be better revolutionaries tomorrow than today.

In the year of the 30th anniversary of the attack on Moncada barracks and approaching the 130th anniversary of the birth of Jose Marti, its inspirer, we are filled with confidence in the future and profoundly committed to the fatherland. We Cuban youths and pioneers will make this a new and fertile stage for development of the tasks of the revolution.

This is expressed through the adoption of new and greater commitments for the 30 weeks between 1 January and 26 July and a greater effort in study, work and defense throughout 1983. We will be more efficient and productive each week, more studious and combative and will carry out our duties for the defense of the fatherland and revolutionary vigilance with more discipline.

The National Bureau of the UJC [Union of Young Communists] convokes the Cuban youth to resolutely and combatively support the resolution of the Sixth Plenum of the Central Committee of the Communist Party of Cuba under the Marti motto: "Doing is the best way of saying." We commit ourselves to:

Make greater efforts in the production and service sectors, encourage the fulfillment and overfulfillment of technical-economic plans and establish individual and collective commitments to conserve fuel, lubricants, electrical energy and all material resources.

Develop a wide-ranging plan to recover raw materials with the participation of all youths, students and pioneers.

Redouble efforts in the work of cutting, reaping and hauling cane, combine platoons, machine shops and in the work areas and shifts of the youth collectives in the sugar mills.

Establish youth support missions and economic initiatives in construction, livestock and noncane agriculture, the industrial sector, fishing and services and offer enthusiastic encouragement to the timetables for the National Priority Tasks.

Guarantee the reduction of youth absenteeism in all the production, service and public administration sectors, discuss and analyze in each collective measures to guarantee optimum exploitation of the workday and the reduction of lost time and establish commitments.

Participate actively and enthusiastically in the establishment of individual and collective commitments for the socialist emulation in each work center and promote initiatives in the fulfillment of production plans.

For the technical and professional youths in the BTJ [Youth Technical Brigade], carry out their motto--"think, act and create"--to conserve raw materials, energy, fuels and lubricants and to manufacture spare parts, stimulated more than ever by Commander in Chief Fidel Castro's recognition for the work of the BTJ at the last session of the National People's Government Assembly.

For the scholars and students at all levels of education, increase their devotion to and time for individual study, set higher goals for themselves in

apprenticeship and the use of study equipment, dedicate high grades to the heroes of Moncada and, especially, encourage the development of the individual and collective emulation in each educational center to win places of honor among the best.

For the young teachers, professors, department heads, directors and methodologists of education, be more effective in their training and educational work, improve the quality of the courses, laboratory work and production practice, be more demanding with themselves and with their students in political advancement and information, guarantee the quality promotion that our people expect and convert each school into a model center of formal education.

Guarantee that all young workers and students update their documents in the Military Register before 4 April and immediately incorporate the changes in their personal situations when necessary, creating greater awareness and discipline in this.

Comply with the combat and political training programs planned in each territory for the Territorial Militia and the FAR Reserve, also guaranteeing the fulfillment of revolutionary vigilance duties through the work center guards and the CDR [Committees for the Defense of the Revolution].

For all the youths who are carrying out internationalist missions as teachers, construction workers, medical and paramedical personnel or soldiers and those in the Cooperation Contingent in socialist countries, work selflessly to completely carry out their assigned missions.

For the base organizations of the UJC, convoke all the youths in their areas in order to read this statement and demonstrate once more the willingness of all our youth to unconditionally carry out the tasks assigned by the revolution, the party and Fidel and carry out the corresponding measures in each Base Committee.

For all the members and cadres of the UJC, play their role as vanguard in an exemplary manner and mobilize all our youth for this new and fruitful workday through their personal example.

"On to new and greater victories in study, work and defense."

Long live the heroes of Moncada!

Fatherland or death!

We will win!

[Signed] National Bureau of the UJC

CTC Statement

Havana GRANMA in Spanish 13 Jan 83 p 3

[Statement by CTC National Committee in response to Resolution of Sixth Plenum of the Central Committee of the Communist Party of Cuba]

[Text] The National Committee of the CTC [Central Organization of Cuban Trade Unions] demonstrates its complete and unconditional support for the agreements of the Sixth Plenum of the Central Committee of the Communist Party of Cuba and, at the same time, asks all the workers to multiply their efforts to fulfill the production, service and educational plans, to increase conservation of fuel, electrical energy, lubricants, raw materials and materials of every type and to improve the quality of production and services.

The Cuban workers greatly esteem the extraordinary historical significance of the attack on Moncada led by our commander in chief. This enormously important event opened the way to the triumph of the revolution and gave the power to the working class, in close alliance with the working peasantry, for the first time in this hemisphere.

The profound socioeconomic transformations and the ennoblement of the masses achieved through the victory of the revolution carry the stamp of the heroic effort of revolutionary generations and the blood of the best sons of our fatherland.

Therefore, we are going to celebrate this 30th anniversary with new and greater accomplishments in all economic, political and ideological tasks. The attack on Moncada was, without a doubt, an assault on the future. With that spirit, we will redouble our daily efforts.

The CTC National Committee, in the midst of preparations for its 15th congress, convokes resolute and combative support for the resolution of the Sixth Plenum of the Central Committee of the Communist Party of Cuba under the motto: "Do more with less." We commit ourselves to:

Advocate a widespread movement among the workers based on fulfillment of the economic and social tasks in salute to the 30th anniversary of 26 July and the 25th anniversary of the victory of the revolution.

Fulfill the technical-economic plan, achieving a noticeable decrease in the use of materials, raw materials and particularly fuels.

Carry out the tasks included in the 5-year sugar plan, fulfill the annual plan for cultivating and planting cane and carry out the 1983 sugar production plan by making a very efficient harvest in which the Million Arroba Movement among manual cutters and mechanized workers reaches an unprecedented height.

Contribute 246 million pesos through the work of the innovators and efficiency experts in the fight for conservation, quality and efficiency in general.

Achieve an equivalent of 290 million pesos in the production and recovery of spare parts.

Meet the work objectives in teaching in order to have one of the best school years in our history.

Carry out the Health Plan, especially the established indicators in the Mother-Child Program and intermediate and advanced education.

Continue encouraging work organization--improve and extend work standardization, have 1.3 million workers under the system of payment for yield and include more than 900,000 workers under the different bonus systems.

Greatly decrease fatal accidents as well as the frequency and seriousness of other work accidents.

Guarantee that the total number of graduates and workers attending class equal 90 percent of the national goal for 1985 in the battle for ninth grade.

Have 20 percent of the union sections be declared "Distinguished in Culture" and 15 percent "Distinguished in Sports."

Maintain the levels of affiliation achieved, strengthen the organic life of the leadership committees of the union bureaus and sections, improve the stability of the leaders, strictly apply the policy of cadre selection, placement and promotion, increase the percentage of women in positions of union leadership and fulfill the collection potential of union dues.

Carry out the approved program of union inspections and appreciably decrease violations.

Carry out the inherent tasks in strengthening the defense of the fatherland, particularly activities to continually update the Military Register and finance the Territorial Militia.

Carry out the program of Workers' Political Study Circles with the required quality.

Improve our union work with young workers, particularly guaranteeing that all union sections have ceremonies for new members, strictly adhering to the established norms for these objectives.

In order to guarantee the fulfillment of these tasks, it is indispensable to organize, develop and encourage a widespread individual and collective emulation movement among the workers within the framework of the Socialist Emulation for Historic Dates and the Union Emulation of 15 Tasks in salute to the 15th congress.

In the year of the 30th anniversary of the attack on Moncada barracks and approaching the 130th anniversary of the birth of Jose Marti, its inspirer, we are filled with confidence in the future and deeply committed to the fatherland

and socialism. We Cuban workers repeat to the party and Fidel that we will spare no effort to completely fulfill our indispensable duties for production and defense.

[Signed] National Committee of the CTC
Havana, 13 January 1983

FMC Statement

Havana GRANMA in Spanish 21 Jan 83 p 3

[Statement of the FMC in response to Resolution of Sixth Plenum of the Central Committee of the Communist Party of Cuba]

[Text] With firm determination to dedicate ourselves wholeheartedly to work, to achieve the maximum in each task that requires our participation and to constantly prepare ourselves to assume our responsibilities in any sector for the defense of the revolution, the FMC [Federation of Cuban Women] responds to the call of the Sixth Plenum of the Central Committee of the party.

With the victory of the revolution, "the respect of Cubans for the complete dignity of man" became reality as the primary law of the republic and the most beautiful project of all the people began: the construction of the socialist society.

More than two decades have passed in which daily homage to the inspirer of Moncada has been work, the hard fight of millions of Cubans for transformations, creating the new, free, independent and sovereign fatherland that Martí dreamed of.

As part of this process, there was "a revolution within a revolution." Women, solid pillars of the conquests of our people, became active participants in each task. They became construction workers and soldiers, occupying their places in society for the first time.

We feel proud to be daughters of this brave and veteran people, to have a vanguard party like ours, to follow Fidel, an extraordinary leader, who has guided the revolution with firm steps since the beautiful days of Moncada, winning hard battles, victory after victory, forging a promising future for the generations that continue the work of the revolution.

Today, on the dawn of the 130th anniversary of the birth of our National Hero and the 30th anniversary of Moncada--the fruit of his ideas and extraordinary example--we Cuban women show our unlimited support for the resolution of the Sixth Plenum of the party. Our organization's response to this call means:

To maintain the rate of female incorporation in the active labor force and to contribute to the cultural and technical training of housewives in order to aid their participation in the work force when necessary.

To continue monitoring the correct application of the policy to promote women to administrative as well as political responsibilities through pertinent

analysis and demand, when necessary, to carry out the just aspiration proclaimed by our revolution: that men and women share the tasks of economic and political leadership of the country at all levels.

To continue our joint efforts with the CTC to achieve greater skill, efficiency, productivity and awareness among working women and to qualitatively increase the contribution of women to the national economy.

To continue our work so that each working woman in the service sector achieve high quality in her duties, offering the respectful and careful treatment that our working and fighting people deserve with special care devoted to hospitals as well as food service and commerce in general.

To contribute, with the CTC, to the adoption of new measures and improvement of existing ones to help resolve the domestic problems of the working family.

To continue the permanent and Sunday mobilizations of FMC members for volunteer work in the agricultural, livestock and service sectors.

To increase the participation of peasant women in the creation of new cooperatives and in their present agricultural and livestock work and to stimulate the decisive role that the woman plays in the peasant family as carrier of the most advanced ideas to achieve superior forms of production.

To oversee the admission to our organization of girls who turn 14, to concern ourselves with their political and cultural advancement and their technical and professional training, especially to encourage training for nontraditional jobs for women such as millers, turners, mechanics, electricians, tilers, carpenters, etc., that are needed in our country and offer prospects for incorporation to different labor centers and to continue working with the youths so that they contribute all the energy, enthusiasm and creativity that characterize our youth to our organization.

To continue with our financial work, essentially to maintain the high level of dues paid by members and to increase them where possible in order to achieve our self-financing and continue with the application of our austerity policy, rational use of human and material resources and maximum possible savings in all sectors.

To continue correctly applying the cadre policy and to continue the close tie with the masses, maintaining the qualities and values that have always characterized our cadres and base leaders: modesty, self-denial, receptivity to criticism and identification with the interests and needs of the female masses.

To carry out systematic educational work, especially aimed at housewives, to increase conservation of electricity in the home, the proper care and use of domestic appliances, conservation of water and the recovery of packaging and other raw materials as a contribution of the FMC members, aware of the needs of the economy.

To keep the health brigade members trained and active to make their important battle for the health of the people more effective each day in support of

MINSAP [Ministry of Public Health]: the reduction of infant mortality, early detection of cervical and uterine cancer and other aspects of the mother-child program, the eradication of mosquitoes, rats and other carriers and the rational use of medications.

To continue the important task of eliminating crime and to continue encouraging the active work of female social workers in the prevention and elimination of improper conduct and antisocial activities.

To improve the work of the Movement of Mothers Fighting for Education and all other ways to support the schools and to continue our educational work with the family so that parents, teachers and every member of our society fully understand the responsibilities of training new generations in revolutionary principles, love of the fatherland and the revolution and the defense of socialism.

To deepen our ideological work to raise the political level and revolutionary awareness of the FMC members and to improve the political study circles in quality as well as attendance.

To continue the systematic and consistent educational work with our party, the UJC, the mass organizations and state organisms to eliminate the discrimination against women that still exists, incorrect action that morally or politically tends to measure women differently and the application of antiquated and unjust concepts contrary to the principles of equality.

To continue fighting so that revolutionary attitudes and ideas based on our Marxist-Leninist concepts prevail and the vestiges of the bourgeois double standard disappear.

To integrate direct propaganda in our internal work as the most suitable way to guide, inform and mobilize FMC members for all the tasks of the revolution.

To devote greater effort so that housewives complete ninth grade.

To improve the application of the emulation in our base organizations and intermediate organisms as the moving force of all tasks and to achieve, in the year of the 30th anniversary of Moncada, the highest indices of fulfillment and optimization of our work plan in the emulation plan that bears its name.

To continue offering all the support that the Society for Patriotic-Military Education and our glorious FAR need.

To continue our contribution to the financing of the Territorial Militia and to stimulate the organizational and military training of female militia members.

To continue and improve our international work aimed at improving our staunch friendship and exchange of experience with our sisters in other socialist countries, to relate to the women's movement throughout the world, to publicize abroad the important accomplishments achieved by the Cuban women and to defend our revolution and the right of the peoples to freedom and the enjoyment of a better life in every international tribune.

To continue our aid and cooperation with the women's organizations of other countries, expressing in each FMC activity our internationalist feelings and firm solidarity with the women and peoples of Asia, Africa and Latin America who fight against imperialism, who defend just causes, independence and national sovereignty and who fight to free themselves from colonial and neocolonial exploitation and oppression.

We will respond to the resolution of the Sixth Plenum of the Central Committee of the Communist Party of Cuba acting as a vanguard in work, in each necessary task for the advance and defense of our socialist revolution. It is a call for the joint action of all the people toward new successes on all fronts in order to render the best homage to the heroic comrades who fell on that historic 26 July.

We Cuban women are ready to redouble our efforts to fulfill our duties in the two basic tasks: production and defense. Confident in the future of the fatherland, we will remain "on the front line, in the front trench of the revolution."

Fatherland or death.

We will win.

[Signed] Federation of Cuban Women

7717
C30: 3248/512

COUNTRY SECTION

CUBA

SYRIAN PAPER INTERVIEWS JESUS MONTANE

PM241105 Damascus AL-BA'TH in Arabic 15 Feb 83 p 6

[Interview with Jesus Montane, alternate member of the Politburo of the Cuban Communist Party [PCC], by Husayn Hamawi in Damascus--date not given]

[Excerpt] [Question] Comrade Montane, will you talk to us about your visit to the Syrian Arab region?

[Answer] We arrived in the Syrian Arab Republic on 9 February in response to an invitation by the Arab Socialist Ba'th Party National Command for one particular purpose, namely to strengthen the existing cordial relations between our parties and broaden the present multi-faceted relations between our countries. On 10 February we held talks with the Arab Ba'th Party National Command. The Syrian delegation was headed by Comrade Muhammad Haydar, member of the National Command and head of the foreign relations department, and included other comrades. The Cuban delegation was under my leadership and consisted of Comrades Alberto Velazco, head of the Middle East and African division at the Foreign Ministry, and Cuban ambassador to Syria Lester Rodriguez. The talks were held in an atmosphere of fraternity and amity and proved the identity of views between the two parties and confirmed the political will of the two organizations, that is the Arab Socialist Ba'th Party and the PCC, to widen and deepen party relationship.

We reviewed the international situation with particular concentration on the problems of the Middle East, Latin America and the Caribbean. We expressed to Comrade Muhammad Haydar the militant support of the PCC and the Cuban people for the Arab Socialist Ba'th Party and the Syrian people at these moments when the Syrian region is threatened by a new aggression by imperialism and zionism. As the Syrian people are aware, Cuba has always stood on their side every time their safety and sovereignty was threatened by imperialism and zionism. In the meantime the comrades in the Arab Socialist Ba'th Party Command expressed their firm support toward the PCC and the Cuban people. The results of these talks will be summed up in a joint statement to be issued on 15 February. An agreement of cooperation between our parties has also been signed. The agreement underlines the commitments which our two parties have undertaken in the past 2 years and stem from the spirit and desire to strengthen relations between the two parties and the popular and social organizations of the two countries.

The Cuban delegation feels great satisfaction with the outcome of these talks which enabled us to exchange views and coordinate actions against imperialism and zionism. We have also held contacts with other officials in the Arab Socialist Ba'th Party.

During the talks we expressed our firm solidarity with the Palestinian people's struggle and their right to return and to establish an independent Palestinian state. We also expressed our views regarding the importance of consolidating cohesion between the countries members of the steadfastness and confrontation front and the PLO and expressed our wishes that the Palestine National Council [PNC], which is to be held shortly in Algeria, will come out with resolutions that would contribute to the strengthening of the struggle for the inalienable national rights of the Palestinian people. We also showed our identity of views regarding the Lebanese problem. We expressed high appreciation for the role of the Arab Deterrent Force [ADF] in Lebanon, which is the basic role and a support for the safety of Lebanon and the integrity of its soil and its people.

We condemned the Israeli and imperialist intention to continue the occupation of Lebanon and their efforts to divide that country. We also had the great honor to meet Comrade Hafiz al-Asad, secretary general of the Arab Socialist Ba'th Party and president of the Republic. The meeting was held in a very friendly and fraternal atmosphere, indeed in a family atmosphere. During the meeting we conveyed to the president the warm greetings of Comrade Fidel Castro. During the talks with the president we reviewed the most important international problems, particularly those concerning the Middle East, Latin America and the Caribbean. We expressed to the president on behalf of our party and of all the Cuban people Cuba's firm solidarity with Syria in the face of the threats being made against it to commit new imperialist and zionist attacks against it.

On his part President Hafiz al-Asad agreed with our view on the need to achieve success in the coming conference of the heads of states of the nonaligned countries. The president also expressed the Arab Socialist Ba'th Party's desire to strengthen relations between our parties in all the fields. In reply we said that we are aspiring for the same.

During the meeting the president also expressed the hope to meet Comrade Castro once again in New Delhi in order to continue talks and exchange views which they held on previous occasions. During the visit to Syria we visited the martyr town of al-Qunaytirah and saw with our own eyes the barbaric destruction to which the town was subjected at the hands of the Nazi zionist gangs. We have once again seen that the real enemy of civilized mankind is zionism and imperialism. The Cuban delegation was deeply moved by the terrible destruction wrought by the zionist occupation of al-Qunaytirah.

We told comrades of the party in al-Qunaytirah: The sight of this martyred city deepens our hatred for imperialism and zionism and, at the same time, it gives us a stronger motive to fight them until the end. It confirms to us the need for cohesion between the progressive countries through alliance with the socialist camp headed by the friendly Soviet Union.

I would like therefore to thank the Arab Socialist Ba'th Party for the warm welcome and great hospitality accorded to our delegation since our arrival in Syria. In summary, Syria is a country that one looks forward to revisiting and we shall return to it.

[Question] Will you give us an idea about the struggle against imperialism in Latin America?

[Answer] Since the present U.S. administration took office and as part of its all-out onslaught, it has shown constant hostility toward Cuba and the revolutions in Nicaragua and Grenada. This was evident in the establishment of the headquarters of the Rapid Deployment Force [RDF] in Key West Island in order to stage rapid intervention in the area. With regard to Cuba, the U.S. imperialists are occupying part of our territory in Guantanamo Base and lay siege to our country. They have used chemical warfare in order to destroy plantations and cause harm to the inhabitants. Their economic siege aims at hampering our nickel exports and the policy of economic protection which imperialism is pursuing has caused the fall in the prices of sugar, the principal product of our country. They exercise pressure on international banks in order to stop them from giving loans to us. With regard to Nicaragua this hostile stand is evident in the policy of economics. What is even more dangerous is the training, arming and financing of more than 5,000 men of dictator Somoza's troops who have been concentrated in Honduras in order to carry out an invasion of Nicaragua. This policy is also evident in the backing with arms and advisers which imperialism provides for the ruling clique in El Salvador with aim of preventing the achievement of the revolutionary aspirations of El Salvador's people, an aim that shall never be achieved. They have tried to portray the struggle in El Salvador as part of the East-West conflict while in fact what is taking place there is a liberation struggle against persecution and exploitation which that people have been suffering since the triumph of the Cuban revolution.

The United States is now using Israel to provide military advisers to the military clique in El Salvador and to supply this clique with arms. This adds a new dangerous element to the situation in the area.

This is a matter that we all and the Syrian and Arab brothers in particular should be well aware of and resist because it has become evident that U.S. imperialism wants to use Israel to play also the role of the gendarme in Latin America. But despite all these threats of aggression the Cuban people are standing fast. They will constantly resist every imperialist attempt and are prepared to defend every inch of their land until the last drop of their blood. The same thing applies to the people of Nicaragua and Grenada who will defend their security and sovereignty with the same enthusiasm and courage. Also we are confident that the Salvadoran people, under the leadership of the revolutionary command represented by the Democratic Revolutionary Front and the Farabundi Marti National Liberation Front will achieve final victory.

CSO: 3404/12

REPORT ON RESCHEDULING OF FOREIGN DEBT

FL24163/ Bridgetown CANA in English 1356 GMT 24 Feb 83

[Article by Colin McSevny]

[Text] Havana, Feb 24, CANA-REUTER--Cuba is being forced by an acute shortage of foreign currency to reschedule much of its foreign debt, cut trade with the West and settle even more into the economic fold of the Soviet bloc.

Cuban officials are due to meet foreign bankers in Paris next week in a bid to reach agreement on the rescheduling of some 1.3 billion dollars of the 3.5 billion Cuba owes capitalist countries.

Cuba, which is currently paying only interest, wants to delay principal repayments until 1986 and then stretch them out over 10 years.

Havana-based Western diplomats told REUTER they expect an agreement although they doubt whether creditor countries will allow such generous conditions.

"I would say both the grace period and the 10-year period will be whittled down, though in any case a monitor group will almost certainly be set up to review the conditions every year," said one diplomat who has followed the progress of the negotiations which began six months ago.

Financial sources say Spain, France and Japan are the major creditor nations, each owed around 320 million dollars. Cuban officials would not comment on the upcoming talks.

Cuba began to suffer from an acute shortage of cash early last year and government figures put its present hard currency reserves at less than 100 million dollars.

A number of factors lie behind the shortage, officials say, including rock-bottom world sugar prices, high international interest rates and the drying up of Western credit.

Cuba is the world's biggest raw sugar exporter and the current world price of around seven cents a pound is a quarter of what it was three years ago.

Eighty percent of Cuba's export revenue comes from sugar and the price slump forced it to cut imports from the West to around 730 million dollars last year compared with 1.1 billion dollars in 1981.

The dollar shortage, also aggravated by high interest rates, became even more acute when some 700 million dollars in short-term credits were withdrawn by Western countries, the government said.

Central Planning Board President Humberto Perez says the United States is to blame for putting pressure on its Western allies to treat Cuba harshly.

He told Congress recently that exports to the West this year would generate only 63 percent of the 1.5 billion dollars originally allocated for hard currency imports.

Western diplomats say the Soviet Union, which they estimate is owed the equivalent of some seven billion dollars by Cuba, would help make up the shortfall.

Their views were backed last week by Cuban Foreign Trade Minister Ricardo Cabrizas, who was in Moscow to sign a bilateral trade protocol providing for a 10 percent increase this year.

He said the trade would total 6.5 billion rubles (about nine billion dollars at the official exchange rate), but he gave no details of the balance.

Diplomats here believe Moscow pumps the equivalent of around four billion dollars a year into the economy of its communist ally through complex and unpublicised support deals such as the purchase of almost half [of] Cuba's eight-million-tonne sugar crop at guaranteed high prices.

The Soviet Union also supplies cut-price oil to Cuba and the protocol said petroleum and its derivatives were included in this year's rise.

Cuba's dependence on the communist world for its economic survival was highlighted by official figures showing that only 13 percent of its imports will come from the West this year compared with almost 50 percent eight years ago.

Mr Cabrizas was frank in his praise for the role the Soviet Union plays as Cuba's main benefactor. "These relations (with Moscow)...allow us to continue raising our living standards and develop the Cuban economy," he said.

He also attacked the West and condemned the 21-year-old U.S. trade embargo which a recent national bank study estimated had cost Cuba more than nine billion dollars.

Although Cuba's links with the Soviet Union have softened the effects of the current world recession, this Caribbean Island of 10 million people has not escaped unscathed.

The five percent annual growth projections of the current five-year plan (1981-85) have been revised to less than 2.5 percent for this year. The budget of some 12 billion dollars is almost unchanged from 1982 and well down on the 13.7 billion dollars of the previous year.

While Cubans enjoy a relatively high basic standard of living in Latin American terms, economies have been made on some state benefits.

Cuts averaging 15 percent in meat, fish, egg and milk consumption in school and factory canteens were introduced last year and Mr Perez said they would have to remain in force.

Calls for sacrifice and austerity have been repeated in speeches by Mr Perez and President Fidel Castro, who said last year that essential food and medicines would take priority in imports from the West.

Commercial attaches in Western embassies here confirm their countries are feeling the pinch from Cuba and few see brighter prospects if commodity prices do not recover.

"My country will show a 35 percent drop in trade with Cuba when the final figures for last year are in," the commercial attache of one of Cuba's main Western trading partners said.

Lack of confidence in Cuba's economy is also illustrated by the response to the government's decision last year to provide incentives to capitalist companies that set up joint ventures here: trade sources say not one firm has taken up the offer.

CSO: 3200/27

COUNTRY SECTION

CUBA

INTERNATIONAL SUGAR CANE TECHNOLOGISTS CONGRESS

Torralba Opens Congress

FL221405 Havana Domestic Service in Spanish 1100 GMT 22 Feb 83

[Text] The 18th congress of the Society of Sugar Cane Technologists, which was opened yesterday by Diocles Torralba, minister of the sugar industry, will continue today. The meeting is being attended by 1,300 delegates and invited guests from 78 countries who will discuss 130 reports on sugar industry tasks of which 40 were submitted by Cuban technologists.

During the opening address, Minister Torralba reviewed our country's sugar industry development and outlined the implementation of a modernization program for the industry and sugar cane cultivation which has yielded sustained increases in sugar cane and sugar production. He referred to the weakening of sugar prices in the world market due basically to protectionist measures applied by the EEC and the United States. He stressed that Cuba has a secure and stable market among socialist countries.

The opening session was presided over by Politburo members Carlos Rafael Rodriguez and Jorge Risquet, accompanied by other Cuban party and government leaders.

Proceedings Reported

FL230204 Havana Domestic Service in Spanish 0000 GMT 23 Feb 83

[Text] Forty-five reports dealing with agriculture, pathology, industry and sugar cane byproducts were discussed today in the 18th congress of the International Society of Sugar Cane Technologists, which has continued its working sessions at the Palace of Conventions in Havana.

Likewise, in the context of activities collateral to this event, which has assembled more than 1,500 specialists from 68 countries, a seminar on weaving cultivation [cultivo de tejidos] of the sugar cane began this afternoon. The seminar's objective is the exchange of experiences in this novel technology, in which Cuban ranks with the most advanced countries. From this seminar, being held at Havana's National Center for Scientific Research Work, will emerge the final recommendations of the International

Society of Sugar Cane Technologists for the future use of the sugar cane reproduction technology by means of weaving cultivation.

Tomorrow, an important forum will open on the future of the sugar agro-industry in Latin America and the Caribbean. The forum is being sponsored by the group of Latin American and Caribbean Sugar Exporting Countries, to which more than 20 countries in the region belong.

Further on Congress

FL241535 Havana Domestic Service in Spanish 1200 GMT 24 Feb 83

[Text] During the 3d day of activities of the 18th congress of the International Society of Sugar Cane Technologists, the delegates' attention centered on the study of the current situation and prospects of the sugar industry.

A speech delivered by Enrique Estremadoyro, executive secretary of the group of Latin American and Caribbean Sugar Exporting Countries [GEPLACEA], addressed the problems related with the low price of sugar in the world market. He said that GEPLACEA should, now more than ever, play a more active role in protecting everything related with the sugar industry.

At the Palace of Conventions, where the congress is being held, a forum was also held on the prospects for development of the sugar agro-industry.

One of the works presented by the forum was entitled: The Sugar Industry Versus the Development Challenge, by Cuban expert Jorge Lodos Fernandez. The importance of our industry--our number one economic resource--as a source of food and energy as well as the technological requirements demanded by the present situation were highlighted by Lodos Fernandez. Other experts of the region dealt with the economic potential of sugar cane byproducts, varieties of sugar cane that will be available by the year 2000 and agriculture and its mechanization.

The congress, which is being attended by specialists from 78 countries, will continue today and is slated to close this Saturday.

Congress Closes

FL262000 Havana Domestic Television Service in Spanish 1800 GMT 26 Feb 83

[Text] The 18th congress of the International Society of Sugar Cane Technologists which held sessions since Monday, 21 February, at the Palace of Conventions was closed today. During the final plenum, participants approved Indonesia to host the 19th congress in 1986.

CSO: 3248/546

EGG, POULTRY PRODUCTION PLANS SURPASSED

Havana GRANMA in Spanish 29 Dec 82 p 6

[Article by Emilio del Barrio Menendez]

[Text] The men and women of our poultry industry surpassed the production plans for eggs and poultry meat for the current year with 6 days to spare, and they are striving for the remainder of December to widen the gap in both food items.

According to the data furnished by the Main Poultry Industry Directorate of the Ministry of Agriculture, egg production up to 25 December had surpassed the 1982 program that called for 2,195,400,000 eggs by 14.6 million eggs.

For its part, production of poultry meat which the 1982 plan had set at 71,584 tons, had been surpassed on 25 December by 1,265 tons (live weight).

As an indicator that undoubtedly measures the efficiency of the work of our poultrymen, one can refer to the consumption of feed per kilogram of meat or for each 10 eggs produced. The conversion of feed into meat up to the end of November shows one of the best yield indicators with a consumption of 2.83 kilograms of feed per kilogram of meat, which compared to the 1966 figure represents a reduction of 560 grams of feed per kilogram of meat.

As to eggs, the result is also notable because 2.09 kilograms of feed were used to produce 10 eggs in 1966, while the actual consumption up to the end of November was 1.63 kilograms of feed for each 10 eggs.

But the Cuban poultry workers do not stand out solely in production, but in the economic efficiency of their production. For instance, up to the end of November, the productivity program was being fulfilled by 104 percent and that of the average salary by 101 percent, from which can be inferred a good correlation in the dynamics of these indicators, while at the same time the cost per unit weight of production showed a reduction of 4 percent.

According to estimates, the year will end with very good production and economic results because of the efforts and dedication of all our poultry workers.

BRIEFS

CUBAN-SOVIET FRIENDSHIP HOUSE--The Cuban-Soviet Friendship House was inaugurated last night at the Lenin Park on the occasion of the closing act of the celebration of the 60th anniversary of the founding of the Soviet state and the 65th anniversary of the October Revolution. Viktor Govilosiroy, first secretary of the Soviet Embassy and representative of the Soviet-Cuban Friendship Association, and Lucy Villegas, vice president of the AAC [Cuban-Soviet Friendship Association], addressed the act which Soviet Ambassador K. F. Katushev, Zoilo Marinello, president of the AAC, and other officials attended. [Excerpt] [Havana GRANMA in Spanish 29 Dec 82 p 6] 8414

RURAL MEDICAL SERVICE DETACHMENT--The first contingent of the Maj Manuel Piti Fajardo Rural Medical Service Detachment comprising 274 medical students in their 6th year of studies was set up last night in a solemn act held at the Main Club of the FAR [Revolutionary Armed Forces] in this capital. Pedro Miret and Public Health Minister Sergio del Valle, both members of the Politburo of our party, presided over the ceremony in the company of Maj Gen Sixto Batista, substitute member of the Politburo and chief of the Central Political Directorate of the FAR. Dr Alipio Rodriguez, a founder of the Rural Medical Service in 1959, delivered the distinctive banner of the mentioned detachment to the chief of public health, who immediately presented it to student Ausberto Bianchi of the Higher Institute of Medical Sciences of the City of Havana, recipient of the Jose Antonio Echeverria Order of Merit. Also present at the act were Jose R. Fernandez, vice chairman of the Council of Ministers, Carlos Lage, first secretary of the UJC [Union of Young Communists], other members of the Central Committee vice ministers of public health and leaders of political and mass organizations. [Excerpts] [Havana GRANMA in Spanish 29 Dec 82 p 1] 8414

HOLGUIN CANE COMBINES PRODUCTION--Holguin--The workers of the 60th Anniversary of the October Revolution Enterprise fulfilled their promise to the party and the state to produce 600 sugar cane combines KTP-1, one of the 10 basic work objectives of the province. The 2,800 workers of this steel and machinery complex managed to surpass the plan in the allotted time and to hail the 24th anniversary of the triumph of the revolution with 602 combines. Juan Rivas, assistant director of production, reported that 2,253 combines have been delivered to the sugar cane industry since the

establishment of the enterprise in July 1977. He added that besides surpassing the machinery plan, spare parts production was also surpassed with machinery parts and assemblies valued at 2.7 million pesos. He emphasized the effort exerted during the year by the Cuban workers and technicians, and the specialists of the Soviet advisory office, and said that another 600 machines--the design capacity of the factory--will be produced next year. [Text] [Havana GRANMA in Spanish 29 Dec 82 p 6] 8414

CABRAL TO LEAVE--Havana, 11 Feb, CANA-REUTER--Former Guinea-Bissau President Luis Cabral, exiled in Cuba for the past 13 months after being toppled in a military coup, will leave for the Cape Verde Islands next week, diplomatic sources said here today. They said he would join members of his family in the islands, which lie off Guinea-Bissau, a former Portuguese colony in West Africa. [Text] [FL111536 Bridgetown CANA in English 1439 GMT 11 Feb 83]

HART PRAISES BRIGADE--"The fatherland has continued to grow," Armando Hart, member of the Politburo of our party and minister of culture, said at the meeting held last night with the members of the Fifth Contingent of the Antonio Maceo Brigade in the Las Americas House. In his introductory remarks to the full dialogue that followed, Hart said that there is a new generation of progressive and revolutionary Cubans abroad that is expanding more and more outside our borders, and he cited the example of how the brigade exists and multiplies in the United States and Puerto Rico, as well as in other countries. The minister of culture emphasized that in order to understand the revolutionary process, one must start from the principle that the revolution is not a primrose or clear path, but a difficult path albeit the most beautiful, therefore its development cannot be idealized. Next he pointed out that the members of the brigade live in the midst of a big anti-Cuban campaign, and one of the merits of the collective in question is, precisely, having managed to come out of that atmosphere and to discern the true reality. Hart was accompanied by Mariano Rodriguez, president of the Las Americas House, and Raul Perez Mendez, a departmental head with the ICAP [Cuban Institute for Friendship with Peoples]. [Text] [Havana GRANMA in Spanish 28 Dec 82 p 6] 8414

FOOD INDUSTRY MINISTRY PLAN--The Ministry of the Food Industry completed its annual Production Plan 5 days ahead of schedule when it reached a value of 1,602,700,000 pesos. The workers of the 119 enterprises of this ministry will continue to produce at a rate that will enable them to achieve a growth of about 7 percent relative to the 1981 figures, in honor of the 24th anniversary of the triumph of the revolution. The historic production figures of previous years have already been surpassed in several items, among which we can point out the production of ice cream, pork strips, flour and alcoholic beverages for national consumption, and others. It should be noted that bottled refreshments will achieve the highest production in the last 10 years despite the difficulties faced with the various raw materials imported for the production of caps during the year. The pugnacity in the face of difficulties and the determination to provide more and better products to our people with the maximum saving of resources are the commitment of the workers of the food, tobacco, machinery and match industries of this production organization. [Text] [Havana GRANMA in Spanish 28 Dec p 1] 8414

DOCTORS TO LECTURE IN ARGENTINA--Buenos Aires--Cuban scientists Manuel Limonta and (Pedro Lopez) will give lectures in the Argentine capital on their country's achievements in the application of interferon for virus and neoplastic diseases. The Cubans, who have already given similar lectures in other countries, will cover areas of the topic with their Argentine colleagues at a conference to be held Friday in the National Institute of Medicine. [Text] [FL241835 Havana Domestic Service in Spanish 1700 GMT 24 Feb 83]

GHANAIAN DELEGATION--A women's movement delegation from the Republic of Ghana headed by (Nana) Rawlings, wife of the Ghanaian president, has paid a visit to block 12A of the FMC [Federation of Cuban Women] in San Miguel del Padrón Municipality of Havana Province. The group also includes Professor (Beatrice Kobiwin) and journalist (Ama-kuta Dauto). The object of the visit is for the African delegation to exchange notes on the rank-and-file work of the FMC which may assist the budding Ghanaian women's movement. [Text] [FL241950 Havana Domestic Service in Spanish 1700 GMT 24 Feb 83]

CSO: 3248/546

COUNTRY SECTION

EL SALVADOR

BRIEFS

MILITARY APPOINTMENTS--Col Edgardo Casanovas Vejar has been appointed commander of the 2d Infantry Brigade stationed in Santa Ana. He replaces Col Mario Alberto Reyes Mena who has been transferred to the general staff. [PA231830 San Salvador LA PRENSA GRAFICA in Spanish 9 Feb 83 pp 1, 19]

CSO: 3248/543

BRIEFS

LIFTING STATE OF SEIGE--Engineer Jorge Serrano Elias, president of the Council of State, said yesterday: "I feel that a political opening cannot take place in March alongside a system restricting rights since the use of civil rights would be a basic element once the opening is decreed and the laws which regulate the rights are in effect." With this opinion the highest official of the Council of State foresees that the government headed by Gen Efrain Rios Montt will find it necessary to lift the state of seige so that the laws to be decreed on the formation of the Supreme Electoral Tribunal, the Civil Registry and political parties which form part of the opening already announced by the chief executive. He added: "I cannot guarantee it, but I feel that this is an opportune time to lift the state of seige so we may guide ourselves toward the democracy we want for Guatemala. This 23 March will be historic inasmuch as three important laws will be instituted which will direct or reform the inoperative laws which governed us prior to the military movement which brought Rios Montt to highest office." [Text] [Guatemala PRENSA LIBRE in Spanish 9 Feb 83 p 2]

GOVERNMENT NEWS POLICY DENOUNCED--The attempt to monopolize the dissemination of government news within a private agency and with the official blessing continues to create deep uneasiness and displeasure in the news media. Radio journalism, which is directly affected by this government action, has vigorously responded and condemned this attempt born in a presidential secretary's office which, to make matters worse, is headed by two journalists. The radio news show LA OPINION which is headed by colleague Marco Tilio Trejo Paiz, former president of the Guatemalan Council of Journalism and current State Counselor, condemned such an action in an editorial last night. [Excerpt] [Guatemala EL IMPARCIAL in Spanish 8 Feb 83 pp 1, 11]

CSO: 3248/540

COUNTRY SECTION

MEXICO

COMMERCE SECRETARY CALLS PRICE FREEZE 'ILLUSORY'

PA130113 Mexico City EXCELSIOR in Spanish 9 Feb 83 pp 1-A, 12-A

[Text] Hector Hernandez Cervantes, secretary of commerce and industrial development, yesterday warned the deputies of the corresponding legislative commission that 1983 will be characterized by industrial stagnation, reduction in demand and increase in costs, due to variations in exchange, high interest rates and budget increases. In view of this situation, he said, "It is illusory to think of freezing prices."

In a closed-door meeting on the 12th floor of the Chamber of Deputies grand commission building, Hernandez Cervantes said that we have had this inflation since 1981 and that this "has affected prices."

The official said the foreign exchange shortage is another serious problem, and was reflected in difficulty in paying the suppliers of raw material and production components in the last months of 1982 and difficulty in carrying out new import operations.

Hernandez Cervantes explained that the foreign currency shortage is due to the fact that exporters "in many cases have not returned the foreign exchange they have generated. For example, vegetable exporters usually leave abroad a great part of what they receive from sales. This practice has worsened recently." The same is true of cattlemen and industrialists in general, he said.

In view of this, the minister said that his ministry's price policy "will simply be to try to maintain the closest possible proportion between the increase in prices and the purchasing power of consumers, but in no way can it be realistically said that prices are going to be maintained or held back, let alone frozen."

Hernandez Cervantes reiterated that all this is the consequence of the inflation that the country is facing and that the main problem is the decline in demand.

The official admitted that another important factor is the high import ratio of the productive apparatus and another, "why not say it, are the modifications in the budget," as well as increases in the price of energy, such as electricity, oil, etc.

All this has caused this situation of increased prices and of pressure on those prices, the minister said. He added that it has also led to the price policy adopted by the government. To speak of freezing prices in view of the inflation that has been briefly outlined is an economic illusion that cannot be sustained in practice." [Quotation marks as published]

Hernandez Cervantes said an attempt is being made to resolve the foreign exchange problem by means of new control measures and that an effort is being made to be more strict in the matter of returning to the country foreign exchange generated by exports.

He reported on arrangements being made with foreign suppliers to program the payment of previous debts in order to avoid suspension of shipments of items necessary to keep industrial plants operating.

Based on this, the secretary continued, imports are being classified according to the priority they should have to keep the productive apparatus running, and more strict controls are being imposed on imports, leaving items that are not indispensable to the free exchange market.

Hernandez Cervantes admitted that the classification of what is indispensable and what is not has been done in the conventional manner, "which is always subject to criticism and to flexible interpretation, because industries that at a given moment might be classified as dispensable because of the items they import could in fact represent important sources of jobs."

The secretary said that another important problem currently faced by industry is the difficulty in obtaining financing, basically due to the high cost of such financing and the fact that banks prefer to use resources for purposes not necessarily linked to industry.

The Liquidity Problem

There is also the liquidity problem, which is reflected basically in industry's difficulty in paying off foreign debts and paying for new imports.

In addition, the secretary said, external circumstances have caused the volume of exports, particularly raw materials, to be greater, but paradoxically, the income in foreign exchange is less.

"This has caused the so-called terms of trade to be negative for us and, as can be seen by the decline in and the maintenance of low prices for raw materials, accentuated by the decrease in the price of oil in mid-1981." [Sentence as published]

Hernandez Cervantes, who went to the meeting with the deputies accompanied by Under Secretaries Luis Bravo Aguilera, Efren Franco, Francisco Cano Escalante, Mauricio de Maria Y Campos and Rene Villarreal, presented to legislators a draft program for the defense of the productive system that seeks to attack the problem he outlined. In addition, it considers the possibility of adding 17 products, including clothing, shoes and household equipment, to the list of basic products.

The draft program for the defense of industry and employment, which is still not complete, reportedly provides for utilizing the purchasing power of the public sector, which was estimated at 1.1 trillion pesos in 1983, of which 700 billion pesos are for purchases in the domestic market. The draft states that a mechanism is needed to expedite payments and offers by local suppliers in order to more effectively meet the public sector's purchasing needs and convert them into a real demand [demanda efectiva].

On the other hand, an effort will be made to replace imports, for which 400 billion pesos have been allocated. Similarly, there are plans to support the large companies that in 1 year saw the currency decline from 27 to 150 pesos per dollar, a 500 percent devaluation in 1 year. Thus, several means by which the Bank of Mexico can help in the amortization of their debts are being considered.

A Futures Market Will Be Created

This support will be given through the creation of a futures market, so that business can discount their future foreign debt in pesos, thus having their financial costs at the market interest rate. There will be no subsidies, but the company will be able to eliminate the exchange risk and the burden of foreign indebtedness in dollars.

At the same time, it was explained that, as far as concerns interests due for the productive system, which had been estimated previously at 70 pesos to the dollar and which, at the present controlled exchange rate of 100 pesos causes a serious loss of liquidity, a financial support mechanism is being sought to restore their liquidity so that companies can pay other interest.

Another problem is that of debts to suppliers which, on not being paid, create restrictions for industrialists in importing inputs and raw materials. Two mechanisms have been proposed to alleviate this: One financial, by which the company itself can renegotiate the debt with its suppliers and give the support in terms of liquidity in pesos, and another mechanism of barter among the enterprises themselves, by which a company can add additional exports to pay off its debt with merchandise and services.

It was explained that all these forms of support will be applied to large as well as small and medium industries.

CSO: 3248/493

COUNTRY SECTION

MEXICO

COMPTROLLER GENERAL ANNOUNCES ANTI-NEPOTISM MEASURE

PA131249 Madrid EFE in Spanish 0213 GMT 12 Feb 83

[Report by Antonio Ortega]

[Excerpts] Mexico City, 11 Feb (EFE)--The Mexican Government, committed to an effort for the moral renovation of society, has taken an important step to end nepotism, which reached new heights during the 1976-82 presidential term, by prohibiting public officials from hiring or promoting their relatives.

The comptroller general today announced that Mexican Government officials will no longer be able to appoint or promote, in their areas of influence, blood relatives or in-laws up to the fourth degree [cuarto grado] of kinship.

Miguel de La Madrid promised the Mexican people who voted for him and elected him to the presidency that he would struggle to establish a permanent campaign for the moral renewal of society, including a struggle against nepotism.

During former President Jose Lopez Portillo's administration, nepotism reached new heights in the country. His son Jose Ramon Lopez Portillo was appointed an under secretary, and other relatives were also placed in distinguished positions.

On one occasion the former president said he thought it was preferable for his relatives to cooperate with the government during his 6-year term rather than be used by third parties as influential persons.

In the first days of Miguel de La Madrid's administration, the governors of Yucatan and Campeche states asked their relatives to resign from their public administration posts, since nepotism was rampant among public officials at every level of public administration.

CSO: 3348/493

COUNTRY SECTION

MEXICO

BRIEFS

NEW COZUMEL NAVY BASE--Mexico City, 4 Feb (NOTIMEX)--The Secretariat of the Navy has established a navy base on the island of Cozumel, Quintana Roo, in order to have a territorial command which will guarantee national sovereignty and the integrity of the territory. Secretary of the Navy Adm Miguel Angel Gomez Ortega stated that last January units of Mexico's Navy seized 19 national and 2 foreign vessels which were in violation of national laws dealing with fishing. The official said the navy's men-of-war sailed 28,000 miles in 3,206 hours, patrolling the restricted economic sea-lanes [zona economica exclusiva] and territorial waters. Navy aircraft flew a total of 18,509 miles in 114 hours in support missions for the warships. He noted that Mexico's Navy had lent assistance to 20 national vessels which were caught in bad weather in the area of Campeche and to five foreign vessels. As part of the modernization plan of the public administration, the Secretariat of the Navy ordered that the office for the protection of the environment be relocated. [Text] [FL041815 Mexico City NOTIMEX in Spanish 1631 GMT 4 Feb 83]

CSO: 3248/493

U.S. 'WARMONGERING POLICY' BEING WEAKENED

PA192152 Managua EL NUEVO DIARIO in Spanish 16 Feb 83 p 2

[Article by Ofelia Morales Gutierrez: "The Big Pine Maneuvers: Sign of Alert for Latin America"]

[Excerpts] The tremendous pressure exerted by conscientious people aware of the importance of peace for humanity is increasingly weakening Reagan's warmongering policy.

The world continues to reject his alienated position of a nuclear threat to humanity; even the North Americans continually reject it. Throughout Europe there is wide rejection of the installation of new nuclear missiles that symbolize death and destruction.

Beyond our seas there is strong condemnation of the provocative military maneuvers that endanger peace in Central America, such as those staged recently near our border with Honduras called the Big Pine Maneuvers, which still reverberate beyond our seas.

The decision of governments such as Mexico, Venezuela, Colombia, and Panama for dialogue between the Central American countries and the United States in order to reach a negotiated policy that will consolidate peace in the isthmus and avert further destruction and loss of lives in El Salvador and Guatemala, continues to provide constant hope. For the purpose of healthy American coexistence, it is necessary that the powerful country of America abandon its irrational and anachronistic policy and lay the foundation for authentic neighborliness. It must approach the negotiation table with a true spirit of understanding and comprehension, and speak to countries that, although they are less developed, have something that nobody can take from them, including their sovereign right and self-determination of their peoples, which should be respected and assessed at their true value.

It is not conducive to anything that Jeane Kirkpatrick, U.S. ambassador to the United Nations, goes around claiming to search for peaceful solutions without considering countries such as Nicaragua, which is peace-loving, dignified and oversees the rights of a free, independent, and sovereign people.

The Nicaraguan people are gaining increasing awareness of their worth and, within the difficulties that any revolutionary process with lofty aims entails, they seek paths conducive to the proposed goals.

CSO: 3248/545

COUNTRY SECTION

NICARAGUA

TINOCO CRITICIZES U.S., ISRAEL AT UN

PA180015 Managua Domestic Service in Spanish 0300 GMT 17 Feb 83

[Text] During his first speech before the UN Security Council, Nicaraguan representative Victor Hugo Tinoco demanded the immediate withdrawal of Zionist troops from the Arab territories occupied since 1967 that include Jerusalem. The Nicaraguan representative also recalled the inalienable right of the Palestinian people to create their own independent state, stressing that the Palestinian issue constitutes the cornerstone of the Middle East problem. Tinoco added that for the United Nations and the Arab countries the issue of the occupied territories has been a constant concern and that for the Nonaligned Movement it has been a main issue in its anti-imperialist struggle. The condemnation of Israel for its irrational international attitude has been very clear at the movement's summit meetings. Tinoco added that through various initiatives the Nonaligned Movement has sought a fair and lasting solution to the Middle East conflict and that the solution must be found within the political framework of the United Nations.

Tinoco also denounced U.S. participation in the Middle East conflict, in using the state of Israel for intervening in the region, which demonstrates that the U.S.-Israel alliance constitutes a destabilizing force in the Middle East.

Tinoco added that it is important that the UN Security Council adopt the necessary measures, as included in the UN Charter, to sanction Israel for all the actions it has committed against the Arab people. The UN Security Council is hearing the Syrian charges on the Israeli occupation of Arab lands.

Tinoco said that the Security Council must assume its responsibility, or be considered incompetent and inoperable in the face of this genocide. We understand the Security Council's nature and limitations but we must not forget that it is the highest tribunal of hope and relief for oppressed and subjected peoples, he said.

The Nicaraguan representative pointed out the Israeli insolence and nerve in starting the invasion of Lebanon and the permissive attitude shown toward the massacre of Palestinian civilian refugees in the invaded country shocked the international community.

CSO: 3248/513

PSD OFFICIAL ALLEGES 'PLOT' AGAINST ARCHBISHOP

PA112236 Panama City LA ESTRELLA DE PANAMA in Spanish 9 Feb 83 pp D12, D10

[Text] Wilfredo Montalvan, secretary general of the Nicaraguan Social Democratic Party, PSD, in exile, has charged here that the Sandinist regime is preparing an attempt against Monsignor Miguel Obando Y Bravo, archbishop of Nicaragua.

In a visit to LA ESTRELLA DE PANAMA, as part of his trip to Panama City in search of solidarity with the struggle of the Nicaraguan Social Democrats in exile, Montalvan expressed concern over reports he has received on this subject.

According to Montalvan, the head of the Nicaraguan Catholic Church has already suffered two attempts against his life: One at Masaya in 1981 and, more recently, in La Cuesta Del Plomo on the highway to Matagalpa. Notwithstanding, he added, Obando Y Bravo's life has been spared.

The Social Democratic leader explained that the plot against Obando Y Bravo is due to his demands for religious freedom and respect in Nicaragua and because he has become "the voice of those who have no voice" in his country.

Montalvan is presently living in San Jose, Costa Rica, and is president of the Political and Legal Affairs Commission of the Nicaraguan Assembly of Democratic Unity. He said "we feel compelled to denounce this new crime that the Sandinist regime in Nicaragua is trying to perpetrate."

CSO: 3248/513

FRENCH PAPER CRITICIZES SANDINIST REVOLUTION

Freedoms Restricted

Paris LE MONDE in French 4, 5 Jan 83

[Article by Charles Vanhecke: "Nicaragua: The Confiscated Revolution"]

[4 Jan 83 pp 1, 4]

[Text] The government in Managua has reported new raids by Somozists into Nicaraguan territory on Saturday, 1 January. The attackers are said to have penetrated over 50 kilometers, set fire to farms, killed three soldiers and kidnapped a number of persons they allegedly took with them into Honduras. In an interview in the progovernment newspaper BARRICADA in Managua, French Ambassador Rene Ala also said that France was maintaining its position, set forth in a joint communique with Mexico and recognizing the "representative nature" of opposition political forces in El Salvador. He also stated that France recognized Nicaragua's right to "choose its own form of democracy."

I. Every Day a Little Less Free

Managua--How is one to avoid an impression of *deja vu*? A revolution originally democratic now restricts freedoms by invoking the need to confront its enemies. But the adversaries or disappointed supporters of that revolution use the stifling of freedoms to justify their aggression.

What revolutionaries looked more democratic in the beginning than the Sandinists in Nicaragua? They wanted their revolution to be "different": socialist, naturally, but respectful of political pluralism and free enterprise and, in diplomacy, concerned about observing strict nonalignment.

It was a historic compromise, made with all those who, in July 1979, helped oust the Somoza dictatorship. After all, the Sandinists had not been alone in the fight. They were the first and remained in the avant-garde until the end, but other forces joined them: the Church, the bourgeoisie, the intelligentsia. In the end, the whole country rose up against the *caudillo* to bring about his downfall: "More than a revolution, it was an insurrection that occurred," one business executive told us. "The overthrow of the dictatorship

was not the result of a class struggle, but of an alliance of various classes, unlike what is now happening in El Salvador."

That is why everyone in Managua is now claiming the 1979 victory and declaring themselves its heirs. "We paid dearly for our fight against Somozism," says Pablo Antonio Cuadra, editor of LA PRENSA, newspaper of the liberal bourgeoisie that has gone over to the opposition. "Our former editor, Joaquin Pedro Chamorro, was murdered. Our offices were destroyed. We not only supported the revolution; we were part of it."

Missing

The Church also believes it played its part. "Under Somoza, we opened our facilities to those fleeing repression," says the archbishop of Managua, Monsignor Obando Bravo. Now both believe the revolution has been taken over, confiscated, "by a party that has blended with the army and that claims to be the only representative of the entire country." The Sandinist Front does not only have the force of arms, but it also monopolizes the government and controls all means of expression.

"What is left of the commitments made three years ago?" the critics of the regime ask. The Sandinists promised to respect and even to promote human rights. They suffered enough from the Somoza crimes -- and 2.5 million Nicaraguans along with them -- to want to eliminate torture and political assassinations. "If we were merciless in combat," Minister of Interior Tomas Borge said at the time, "we will be merciful in victory." One of the first measures of the young revolution was to abolish the death penalty. For a long time, it had the reputation of being relatively bloodless.

Actually, if one believes the Permanent Human Rights Commission, the truth was quite different. In the months following the victory, 785 persons were declared to have "disappeared" before the Commission, which believes they were the victims of summary executions. Proof exists in some cases; in others, it is a matter of "presumptions."¹

After the period of reprisals against Somoza's National Guard, "there were as many as 20 persons who disappeared," according to Mrs Marta Baltodano, coordinator of the committee, an organization not suspect because it already existed under the dictator and was persecuted by the police.²

¹ In its 1982 report, Amnesty International speaks of murders of National Guards by "local groups," without giving specific numbers, and says that the government "has made efforts to put a stop to it."

² There are two committees for the defense of human rights. The one to which we refer is an independent organization that has existed since 1977 and whose activity is only tolerated by the regime. Its leaders are mainly liberal Catholics. They publish information deemed reliable by observers. The other is an official organization set up in 1980 by the Sandinists. Its information is scanty, it would appear, although it does criticize the administration.

The incessant war waged by Somozists and their American allies seems to have imposed its blind logic on the Sandinists. "Since the state of emergency was proclaimed on 15 March," Baltodano says, "the authorities can arrest whomever they want, wherever they want, and keep prisoners hidden for several months, without giving any news to their families and without instituting legal proceedings against them."

In a recent report, the Commission has reported several persons arrested as "counterrevolutionaries" and declared to have died "in the course of escape attempts." It caused a scandal, a few months ago, by publishing a document on a Managua taxi driver who body was found riddled with bullets and bearing numerous marks of torture, four days after his arrest by police. "The deputy minister of interior threatened to put me in prison for five years if I published another document of the same type," Baltodano says, adding that: "We were enthusiastic supporters of the revolution. But there is an ever widening gap between what the leaders say and what they do. We have the feeling that violations of human rights are in the process of becoming institutionalized."

General Censorship

The accusations are just as serious concerning freedom of expression. After seizing several radio stations and being "intervened" in others, the Sandinists assured themselves a monopoly over television. In addition, they have practically instituted the crime of opinion, in the guise of legislation aimed at protecting the "security" and "integrity of the territory" and at preventing the spreading of alarmist news. Newsmen, party and union leaders have been arrested and convicted for having criticized the regime, not for taking up arms against it.

The situation has grown worse with the state of emergency. General censorship has in fact been imposed on the country. Only radio stations belonging to the government now have the right to broadcast information. The Ministry of Interior even sometimes intervenes in programs, as on the day of Brezhnev's death, when it had funeral music broadcast.

The case of the newspaper LA PRENSA is an example. It was very quickly the target of various attacks: Its publication was suspended several times, its premises and journalists the victims of attacks. Since the spring, it has been censored. "Every day, we send the newspaper entirely made up to the censor," Editor Cuadra told us. "It comes back mutilated and we have to redo it." The mutilations are totally diverse. In the same issue, the newspaper was prevented from reporting the meeting of Reagan and a delegation from the Socialist International, from asking questions about an army helicopter accident, from publishing a dispatch on the Cuban military presence in Angola.

Cuadra states that he could very easily accept censorship over military news: "But outside aggression is used as a pretext, in fact, to modify the philosophy of the regime, to replace Sandinism with Marxism-Leninism. The government calls us counterrevolutionaries because we criticize the deviation of the revolution. On the contrary, we say that it is those responsible for such a deviation who contradict the revolution."

Mobilization To Meet Aggressor

The editor of the daily adds: "Before, I talked with the Sandinist leaders. But I have realized that Marxism-Leninism leads to a rejection of dialogue, to the humiliation and insulting of people in order to force them to yield."

To all these arguments, representatives of the regime oppose the limitations imposed by wartime. "The military and economic situation is critical," says one newsmen for the daily BARRICADA, spokesman for the Sandinist Front. "It is therefore legitimate to take measures to prevent internal arguments that divert one from the essential task: mobilizing to meet the aggressor."

To those who say that the restriction of freedoms "gives arguments to the counterrevolution" and causes the Sandinists not only political, but economic harm as well, "because the absence of freedom and security cause lost investments and paralyzes foreign credits," our interlocutor replies: "The counter-revolutionaries have a strategy that has nothing to do with the state of freedoms in the country. They want to destroy Sandinism. They do not have any intention of getting along with it."

Under such conditions, how is one to explain why there have been so many desertions in the revolutionary ranks? First of all, there were the departures of Mrs Violette Chamorro and Alfonso Robelo, two members of the government junta set up in July 1979. Then came that of Arturo Cruz, one of the 12 officials who represented the anti-Somoza resistance abroad and whom the revolutionary regime had sent to Washington as ambassador.

The most important defection was that of Eden Pastora, the famous "Commander Zero," one of the most prestigious guerrilla leaders. Others followed him: After successfully renegotiating his country's foreign debt, Alfredo Cesar, president of the Central Bank, took the road to exile in May. In mid-December, Cruz' successor, Francisco Fiallos, followed him. He had not agreed to the censorship of an interview given to LA PRENSA in which he came out for the lifting of the state of emergency, restoration of freedom of the press and legality, free elections and alternance in power.

In Costa Rica, Eden Pastora and Alfonso Robelo set up an anti-Sandinist organization, the Democratic Revolutionary Alliance. Although Commander Zero refused to take up arms against his former comrades and to ally himself with the Somozists, Managua authorities call him a traitor and accuse him of receiving funds from the CIA.

The most active opponents are in Honduras. They are not all supporters of the late dictator. Peasants opposing the new regime, including thousands of Miskito Indians, have joined the initial core made up of former members of Somoza's National Guard, who have been trained, according to several accounts, by both Argentine "specialists" in Argentina or in camps in Florida and Honduras by CIA agents.

These counterrevolutionaries in arms have their political organizations, the Nicaraguan Democratic Force (FDN). Since the beginning of December, they have

waged a veritable war in the northern region of the country. They rely on the discontent of the people to take entire regions away from Sandinist control. The presence among them, or in the FDN, of many disappointed with the regime, shows that the latter was initially ambiguous. "There were those who had social democratic tendencies," says one European diplomat, "and those who were already Marxist-Leninists and knew their goal."

Many in Managua think that the course now given to the revolution is due to "those who knew their goal" more than to the circumstances.

[5 Jan 83 p 3]

[Text] The Sandinist regime has considerably restricted freedoms in Nicaragua since the state of emergency was declared on 15 March in order to meet the aggression of its adversaries. General censorship has been imposed on the press and private radio stations can no longer broadcast. In addition, the Permanent Human Rights Commission, has reported several cases of "missing persons" and prisoners killed during "escape attempts." It has also denounced the legal insecurity in which the country's inhabitants live (LE MONDE, 4 January).

Managua--For the Sandinists, Cuba is undoubtedly a "model." Everything attests to this, from the Committees for the Defense of the Revolution to the olive drab uniform of the soldiers and militiamen. But to be convinced that Nicaragua is not Cuba -- some will say not yet -- one has but to walk through the streets of Managua. The stores and markets are poor, of course, but they are stocked. Taxis still exist. Commerce and handicrafts are free. For the most part, businesses remain in private hands. Despite a relative scarcity, mainly due to the lack of foreign exchange (according to provisional estimates, the GNP dropped 3 percent in 1982), only sugar and rice are rationed.

Employers are definitely concerned, but they do not seem to fear total government control over the economy. "Some 80 percent of agriculture and 70 percent of industry are in private hands," says one of the COSEP (Higher Council of Private Enterprise, the main employers union), officials. "The government is mainly present in mining, which it controls 100 percent, and construction, where control is 70 percent."

But will it not one day be tempted to increase its presence? "I do not think so. It already has enough trouble managing the 40 percent of the economy it controls."

Business executives nevertheless wonder why the Sandinists have not yet spelled out what they mean by "mixed economy" -- that is, where public intervention starts and finishes. Furthermore, they believe that their freedom of movement is increasingly limited because the government controls the banking system and the granting of foreign exchange: "It therefore subjects our requests for imports and loans to its arbitrary judgment."

Finally, they claim that while the Sandinists were totally justified in seizing the property of the Somoza family (which owned part of the country), their action went beyond the initial plan and numerous excesses were committed: Businesses were occupied illegally, their officials threatened, sometimes attacked. In 1981, three COSEP officials were thrown into prison for questioning government guidelines in a document. In his interview (censored) with LA PRENSA, Managua's ambassador to Washington also criticized "arbitrary" confiscations and their negative effect on investment and production.

"Such a climate caused many technicians and management personnel to flee," says one of the leaders of the Conservative Party, Alfonso Calero: Some 40 percent of them have reportedly already gone into exile. When questioned about his future as a businessman, Calero answers: "I have none, because the Sandinists are bad managers. They are leading the economy to ruin."

Everywhere it has been able to do so, the Sandinist Front has endeavored to "duplicate" the existing professional organizations and to set up its own unions. It therefore has "its" bosses, just as it has "its" peasants and "its" workers. Apparently, no one questions that right: Pluralism naturally begins at home. But the "rub," for the Human Rights Commission, is when pressure is put on wage earners to desert independent unions and join those of the government. The Commission cites numerous cases of coercion and threats against autonomous union members, even arbitrary arrests, which Amnesty International confirms in its latest report.

Two Churches

If one is to believe that Catholic hierarchy, the same attempts are being made within the Church: "The regime is trying to set up a people's church in order to pit it against us," says Monsignor Obando Bravo, archbishop of Managua. "It relies on priests and nuns who accept Marxism-Leninism and who are won over to the class struggle. It says it has made an option for the poor, but it is "the poor" in the sociological sense, those with class consciousness."

For their part, the Sandinists find it normal to ally themselves with the revolutionary clergy against the faction of the episcopacy they deem "conservative." If they ban the reporting of "miracles" and "apparitions of the Virgin" in the press, it is because they see in them an "ideological diversion." "There are priests that are with us," says Tomas Borge, minister of interior, "bishops with whom our relations are fairly good, and those with whom they are frankly poor." The religious question, according to him, is "manipulated" by "imperialism," which uses it "to fight the revolution."

Obviously, this is not the opinion of the archbishop of Managua. "There have been attacks on us," Monsignor Obando says, "attempts at obstruction to prevent us from bringing our followers together. The government even censored a letter which the Pope had sent to us, before finally deciding to let it be made public."

The archbishop dates the deterioration of relations between authorities and the Church from the day when the episcopacy published a pastoral letter to protest

the violence perpetrated on the Miskitos Indians. The most serious incident took place in August, when the Sandinists tried to exploit a moral matter -- which had the look of a machination -- against the archbishop's spokesman, Father Bismarck de Carballo. The matter was set up to disqualify the episcopacy. It finally turned on its authors, actually causing a street demonstration in favor of the Church and helping to make the archbishop a symbol of resistance to the government and its arbitrary judgment.

One word often comes back among our interlocutors: *turbas*. The *turbas* are groups of activists -- fanatics, some say -- which the Sandinist Front uses to provide a contradiction -- and a strong one -- to its adversaries. "The leaders of the revolution are guerrilla fighters, scarcely out of the underground," concludes the editor of LA PRENSA. "They act like it, not like statesmen."

What Elections?

The opposition parties¹ are increasingly skeptical about the pluralism which the regime intends to practice. Their doubts began as early as 1980, when the Front set up a State Council serving as a legislative chamber. At the last minute, in fact, the Sandinists modified the number of representatives on the Council in order to ensure themselves a comfortable majority (34 out of 51 seats), alone with their allies, which caused the first dissidence within the revolution.

Since that time, the State Council has drafted a draft bill on parties that worries opponents of the regime's politics. Nowhere in the text, in fact, is it stated that the parties will have access to power. The secretary of the Council, Rafael Solis, states that the matter of "alternance" has not yet been decided, but he adds:

"Although we are sure of winning any election, it would be difficult for us to specify in the law, even theoretically, that a rightist party could come into government and bring the accomplishments of the revolution into question."

When he is asked his definition of political parties, he replies: "For us, it is organizations destined to participate in the construction of the state and the consolidation of the revolution."

Certain *comandantes* are even more direct, saying that one must distinguish between "bourgeois" elections and those that the revolution could organize -- whose nature it still does not know, although the first are planned for 1985. "We have not undertaken our fight to have elections every 4 years and change presidents regularly." Sergio Ramirez, member of the government junta, said as early as 1980.

The description given by Deputy Commander Solis of the future Legislative Assembly (besides the parties, "professional organizations" would have their representatives in it) is strongly reminiscent of the Cortes in the time of Franco or the Portuguese Parliament under Salazar's "corporative democracy."

¹ The main ones are the Social Christian Party, the Constitutional Liberal Party and the Democratic Conservative Party.

What he says about the future law on means of communication is scarcely more reassuring: "We neither want to exercise total control nor to grant total freedom," he says. "There is no question of doing away with censorship. Current legislation, which forbids news contrary to public order, give an idea of what we want to do. The newspapers know very well what can be considered as a provocation by the government."

Frictions between the government and the opposition can undoubtedly not be isolated from the climate of tension and mobilization which the country has had for several months. Reagan is stepping up pressure against Nicaragua and no one can forget it. He even achieved the rare feat of having Sandinists and dissidents unanimously against him, for they use the same terms to label his policy: "stupid," "blind," "vulgar."

That there is American "interference," the editor of LA PRENSA admits, just as he observes that his country is being invaded by a host of revolutionary "advisers": Cuban, "internationalist" Latin Americans, Czech, Bulgarian, East German, Palestinian.

Promises of nonalignment have not been respected. The Sandinist government quickly lined up behind Cuba and the Soviet Union in international forums. "But we have nothing to gain with such a policy," our interlocutor told us, "because it makes us a pawn between the superpowers. A weak country such as ours must be intelligent, nonutopian. Knowing that it is in the economic zone of the United States, it must seek a counterbalance in Europe, but not break with them."

Journalist Defends Article

Paris LE MONDE in French 23-24 Jan 83 p 8

[Article by Charles Vanhecke: "In Nicaragua: What Revolution?"]

[Text] Readers were astonished, even angered, by the title, information and interlocutors chosen in our study on Nicaragua (LE MONDE, 4 and 5 January). The regime we described they do not recognize. For their part, they saw Sandinists loyal to their initial generosity, despite attacks from within and without, who are pursuing their revolution as best they can: in the country, with the agrarian reform, in the factories, through a production effort, everywhere, by developing health and education. They are scarcely surprised that freedoms are restricted, that internal splits occur, since it is a country that is the victim of the "secret war" waged by Reagan, one committed to a radical transformation of its economy and production relations.

Most of these arguments are printed below. But what was our point of departure? Verifying on the spot whether political and economic pluralism -- the ambition and pride of the Sandinist revolution -- was always respected and whether the increasingly numerous incidents that occurred were only passing accidents.

In listening to those mainly interested in pluralism -- and they are the same in any country: the independent or opposition press, parties other than the party in power, persons or institutions which, by their philosophical, religious practices or interests, do not revolve in the sphere of government -- we have made several observations.

Monopoly Over Information

Economic pluralism exists, although to imprison employers who have criticized the government -- as was the case a year ago -- is not the best way to encourage private enterprise. Freedom of the press no longer exists. Trade union and political leaders and newsmen have been imprisoned merely for expressing their opinion. A recent report by an American organization affirms that there "were no persons who had disappeared or any torture or summary executions in 1982," but "cases in which the freedom of political and religious rights and of the press was not respected."¹ Finally, political pluralism does seem quite compromised when the Sandinist leaders themselves discard any possibility of opposition parties gaining access to power.

If we questioned the editor of the daily LA PRENSA at length -- his adversaries accuse him of "manipulating" information (but what then is one to say about the official press?) -- it was because of the three Managua dailies, his newspaper is the oldest, the most widely read and the only one in the opposition. And yet, it is mutilated every day by censorship. Likewise, reporters from private radio stations told us they could no longer broadcast information. The Sandinists have a monopoly in the field, controlling both television and the radio.

We also questioned the Permanent Human Rights Commission. Under a regime of another type, its evidence would not be questioned. What the Commission says in documented reports lends credence to the idea that the Nicaraguans no longer live under a state of law.

Is it necessary to recall one of the essential principles of the revolution? The uprising against Somoza was that of "an entire people" and the revolution was therefore to be pluralistic, not monopolized by an avant-garde. Among the opponents of the dictatorship was LA PRENSA, whose editor at that time seemed to be a possible government leader before being assassinated. There was also, in 1977, the archbishop of Managua, now classified among the "counterrevolutionaries." There was the Permanent Human Rights Commission, which told the "entire world" of the crime of Somoza, calling the dictator's American advisers "murderers." There was the Federation of Nicaraguan Workers (CTN) which, by a curious shift in language, is now classified as "on the right" because it is "anti-Marxist."

¹ The Council on Hemispheric Affairs, a private American association which, in its 1982 report, presented Guatemala and El Salvador as the countries in which human rights are the most violated in Latin America.

"Suitable Elections"

Those who fought with the Sandinists thought they would have their place in the regime succeeding that of Somoza. Many feel that they are now only "extras" because their information media are muzzled and because they neither have nor hope to have access to government decisions in the future or control over them. Perhaps they did have illusions: In keeping with a traditional process, they could expect, once past the period of "national unity," that class conflicts would reemerge and restore the revolution to those declaring themselves to be its depositaries. Another process, equally traditional, consists of placing allies of the moment in the light of history in order to push them back into the shadows when no longer in agreement with them.

Even a limited war situation obviously justifies exceptional measures and can even explain "orders." But while indicating that such measures, which should be provisional, might well last, the Sandinists assert that Reagan's policy will not make them give up pluralism. The commitment to hold elections in 1985 and to send a commission to several countries to study the type of voting best adapted to the country's situation was renewed.

What kind of elections have to be "adapted"? Elsewhere, this often means that voters are not asked to choose between competing parties and programs. In fact, the proposals drafted in Managua -- making parties accessories of the government and the revolution -- the repeated declarations against "bourgeois" elections and the preference granted to so-called "direct" democracy through the intermediary of "mass organizations" controlled by the government, lead one to fear a process only too well-known: that in which revolutionaries, setting themselves up as the avant-garde of the people, claim to represent them indefinitely, without ever subjecting themselves to the people's ruling.

Once again, it is legitimate to claim that Reagan's aggressiveness only promotes the logic of extremes: Confronted with an unscrupulous enemy, the only "profitable" attitude would be the most radical one. Managua's former ambassador to Washington had the merit of proposing another logic: In order to strengthen the revolution in the face of its adversaries, he asked Sandinist leaders to accept the principle of alternance in power. "If the internal situation is one of division and confrontation," he said, "it will be very difficult to overcome our international difficulties."

This statement made to LA PRENSA was censored and Ambassador Fiallos went into exile. Why are so many prominent persons in disagreement with the regime forced to leave their country?

Letters Criticize Articles

Paris LE MONDE in French 23-24 Jan 83 p 8

[Text] In order to make it easier to understand the arguments put forth by those disagreeing with us, we classified them by topics rather than to use the usual "Letters" presentation.

The Vanhecke article states that aggression is used as an excuse for repression.¹ Can one consider as an excuse the 200 armed attacks by former members of Somoza's National Guard, mainly from Honduran territory, the entry of 4,000 former Somoza Guards into Nicaraguan territory during 1982, the destruction of bridges by explosives, terrorist actions at the airport, the attempt to bomb the refinery, the 17 persons hideously murdered at San Francisco del Norte, the 67 peasants kidnapped on 1 January of this year? Does President Reagan's policy, in word and deed, not provide adequate cause for concern? And what is to be said of attempts to isolate our country, such as that Forum for Peace set up without Nicaragua and against it? What about the United States' systematic refusal of any dialogue without conditions, as Nicaraguan authorities have repeatedly proposed? And I am citing only a few of the facts on a long list of attacks on the Sandinist people's revolution.

Alejandro Serrano Caldera
Nicaraguan Ambassador to France

Two Churches

(....) In Cuba, the Church has never played a major role. That was up to the rich Spaniards. In Nicaragua, the people's Church exists. It is not the FSLN [Sandinist National Liberation Front] that is trying to set it up in order to pit it against the hierarchy. In the poorest buildings, portr 'ts of "Che" are alongside the Sacred Heart and holy images with the photo of Carlos Fonseca, founder of the FSLN. This faith of the little people is maintained, along with the perpetuation of peasant traditions of fighting to possess the land, against the big landowners....

Jean-Paul Julliard
Professor

The Catholics (80 percent of the population) did not wait for July 1979 and the "Sandinist revolution" to be divided. The community of Solentiname of Ernesto Cardenal, the rank-and-file ecumenical communities, are the expressions of that people's Church, which is part and parcel of the Sandinist process, but not created by it. The "ecumenical axis" assembles progressive priests. It is opposed to the Episcopal Conference, the expression of the traditional Church. The replacement of people's priests by young priests just out of the seminary, the occupation of churches by parishioners, excommunications, the Pope's commitment alongside the hierarchy, an escalation of tension in July and August. LE MONDE only mentioned the incident -- certainly not very glorious -- of Bismark Carballo and the anti-Sandinist demonstrations that followed (in which the three dead were Sandinists in counterdemonstrations, which the editorial "Shift in Nicaragua" did not mention).

France-Nicaragua Scientific and Technical
Cooperation Committee

¹ This statement is found nowhere in the article. We quoted an opinion of the editor of LA PRENSA, which is as follows: "Foreign aggression is actually used as an excuse to modify the regime's philosophy, to replace Sandinism with Marxism-Leninism."

Political Pluralism

Nicaragua was first of all criticized for not speaking of the elections as a priority, then for speaking of them. Now there is speculation about what the elections will be, without saying, for example, that the Nicaraguan authorities have always held to the dates they originally set (1985), that the guarantees that the election process would be exemplary in its honesty were reaffirmed by the highest authorities in the Revolutionary Government, that a dialogue is now underway with the different sectors on the subject of a bill on political parties, that there is thought of setting up a technical committee which, after visiting different countries and studying different election systems, would propose the most suitable election bill. And all this in the midst of pressure and aggression, judgments and prejudice, a priori condemnations and a heroic struggle to defend the national territory, to get production going again, to rebuild the country and seek peace at all costs, without any renunciation of the revolution, in this region in which other very powerful interests ignite the fires of war, here as elsewhere.

Serrano Caldera
Ambassador

Mixed Economy

(....) The meetings we were able to have in the country's businesses do not receive the same reaction on economic questions as that of the editor of LA PRENSA. The new government is facing enormous debts left by Somoza and almost without a penny in the coffers. Workers have sometimes agreed to work without wages to get production back on its feet above all. Partly thanks to international aid, the political government has injected a great deal of capital into the private sector for the past 3 years. On the other hand, on the whole, during the same period, the private sector forgot to finance itself, at least partially. The controls which Nicaragua is now trying to set up mainly have to do with the need to "produce in Nicaragua" and to "invest in Nicaragua" rather than to export profits without investing at home. This refrain is well-known in a country as well developed as our own: France! (....)

Jean-Paul Julliard

(....) Turning a country worn out by civil war and so many years of a government without interest in development ("Somoza's treasury"): That is the prime task undertaken by the Sandinist government. It has demonstrated its determination to act in the key fields of education, health and agriculture....

The agrarian reform of 19 July 1981 distributes land to peasants organized into cooperatives, without thereby integrating them systematically into the public sector (choice of crops, purchase and sale of products through private circuits). The goal is to arrive at the following distribution of land: 50 percent cooperatives, 30 percent individual farmers and 20 percent public sector. (....)

France-Nicaragua Cooperation Committee

Sandinist and Opposition Unions

(....) What are you getting at in using the terms "autonomous trade union members," "independent unions" and "government unions"? Are you speaking of the trade union situation in Poland or Nicaragua?

Is it a matter of repression against the trade union members of the extreme leftist Workers Front or are these rightist unions?

There is the CUS [expansion unknown], for example, a small minority group but one that has managed to have its say, not because of the trust of Nicaraguan workers, but because of its very close ties with the famous American AFL-CIO (which has repeatedly been denounced for its ties with the C. A., even the Mafia!). Now then, you must know that the American press has revealed that the Reagan administration has given millions of dollars to rightist political and union organizations in Nicaragua in order to destabilize the country and prepare the climate for armed aggression. Today, armed aggression is very real. Is it not normal to be distrustful of the CUS?

Then there is another rightist union, the CTN, larger but not more independent than the preceding one, given its total integration into CLAT [Latin American Workers Federation], whose main objective is the fight against Marxism (...).

M.-L. Dubois
Trade Unionist

(....) As for trade unionists close to the FSLN and belonging to the CST (Sandinist Workers Federation), they are far from acting as if they were in a conquered country. A meeting with them at the Prolacsa plant in Matagalpa, a joint venture: government-Nestle, resembles more a visit organized by the CGT [General Labor Confederation] or the CFDT [French Democratic Confederation of Labor] to Berliet under Giscard than a meeting with any official union.

In a place where the bullet holes are still fresh, a trade union official, who helped liberate his country with arms, explains what difficulties he encounters as an elected official of personnel simply to have access to the books and to give his opinion on the major decisions of the enterprise. Visibly, the law is one thing and what the multinational companies do with it another (...).

Jean-Paul Julliard

Nonalignment

(....) Who less than Nicaragua is utopian in its international contacts? With a foreign debt of \$2.6 billion, it knocks on all doors seeking economic aid. From 19 July 1979 to 30 June 1982, gifts received amounted to \$352 million, including \$71.5 million from socialist countries and (by 3 May 1982), bilateral credits of \$769 million, including \$208 million from socialist countries. In May-June 1982, diplomatic missions from all countries obtained at the same time economic aid amounting to \$170 million from the USSR and \$180 million from West Europe (plus the 100 million francs obtained from France in July).

Given the USSR's lack of haste in giving economic support to a country that escapes the control of the United States, the countries of West Europe and particularly socialist France have an essential responsibility in the survival of Nicaragua (...).

France-Nicaragua Cooperation Committee

"Missing"

(....) It is unfortunate that one should continue to use information about facts distorted in the past and concerning which humanitarian organizations have spoken on various occasions. Concerning the 785 cases of missing persons to which Mrs Baltodano refers, only 70 have been considered as deserving of an investigation by international organizations and in the conclusions that the latter have presented, the responsibility of the government was totally exposed.¹ Neither the report of Pax Christi nor that of Amnesty International nor that of the International Human Rights Commission of the United Nations has questioned the government of Nicaragua in this sense. While some of these facts may indeed have taken place, it was during the liberation war and during the days immediately following the victory of the revolution, when the proper organizations did not yet control the country and when all the people were in arms at the close of a war which, because of the brutality of the dictatorship, ended with a tragic total of 50,000 dead, 100,000 wounded, 40,000 orphans, eight cities virtually destroyed, to give but a few figures. The efforts that the government has made to permit a return to normalcy have been exceptional, especially when one considers the country's situation, and it ensured strict respect for the principles of the revolution, including abolition of the death penalty for any crime whatsoever and respect for life and human dignity.

Ambassador Serrano Caldera

¹ The "disappearances" following the triumph of the revolution were briefly mentioned by the Commission and its testimony was compared in the article with what Amnesty International says. Accusations concerning more recent dees were included, but the ambassador does not respond to them.

Ambassador to France Replies

Paris LE MONDE in French 18 Jan 83 p 7

[Text] Under the title "Nicaragua: The Confiscated Revolution," LE MONDE published two articles in its 4 and 5 January editions presenting the Sandinist regime as violating human rights, making outside aggression an excuse for repression, giving up the country's nonaligned position and rejecting pluralism. Such an analysis led Nicaragua's ambassador to Paris, Alejandro Serrano Caldera, to send a letter on 7 January to Andre Laurens, editor of the daily. Confronted with LE MONDE's silence, the Nicaraguan ambassador released a copy of his letter to the press on 12 January. The essential portion of that letter is published below.

The ambassador notes that the author of the two articles uses "as his only grounds...opinions and statements by persons working openly in opposition to the revolutionary process," which "seriously compromises the objectivity and impartiality of those making themselves the spokesmen of such criticisms." It should be noted that these accusations can be made "with complete freedom, in Nicaragua as well as abroad."

Alejandro Serrano Caldera emphasizes that the publication of these articles come comes at a time when the Nicaraguan people "are facing what the American newspapers have called the United States' secret war."

Justifying Aggression

These detractors limit themselves to repeating old accusations which the ambassador from Managua totally discards. During the war of liberation and following the revolution, in a country where the years under the dictatorship ended with "50,000 dead, 100,000 wounded, 40,000 orphans and 8 cities virtually destroyed," it is not 785 cases of missing persons, as LE MONDE writes, but only 70 that were considered to be worthy of an investigation by international organizations. The latter "totally" absolved the Nicaraguan Government of responsibility. The ambassador refers to the conclusions of Pax Christi, Amnesty International and the Inter-American Human Rights Commission of the United Nations.

To speak of foreign aggression as an "excuse" for repression is, he says, "to try to minimize the gravity of the aggression, but also to fail to find those truly responsible." It means "trying to make one believe in the reality of a repression that exists only as an excuse to justify the aggression." Evoking the state of emergency that had to be declared in Nicaragua, the ambassador asks: "How can one hope to see complete freedom flourish totally in a country that is attacked daily and that is in a virtual state of war"?

To present Nicaragua as ceasing to be a nonaligned country is also an attempt to justify the aggression: "If a foreign element exists and has existed in Central America, it is the United States.... The revolution has claimed the absolute right of the Nicaraguan people to have the political, economic and social organization of its choice. Nicaragua and its revolution cannot be considered from the standpoint of the East-West conflict or as a strategic and geopolitical frontier of anything."

Serrano Caldera speaks of the future elections as follows: "Nicaraguan authorities have always held to the dates they set from the very beginning: 1985." "The guarantees that the election process would be exemplary in its honesty have been reaffirmed by the highest authorities in the Revolutionary Government. A dialogue is underway with the different sectors concerning a bill on political parties."

Christian People

Quoting the archbishop of Managua, LE MONDE writes that the Sandinist regime wants to set up a people's church in order to pit it against the official

Church. "A people's church cannot be invented or created by force or by decree," the ambassador writes. "It would be more accurate to ask why there exists a theology of liberation that now finds its historic dimension in the Nicaraguan revolution because a very large number of priests and a very large share of the Christian people of Nicaragua have felt that the liberation struggle and the reconstruction of the country are part of their faith or evangelical mission. For many Christians, love of one's neighbor...is embodied in the literacy program and in health, vaccination, housing and land distribution programs."

Not without humor, Serrano Caldera concludes his letter to Andre Laurens as follows: "Knowing the journalistic seriousness of LE MONDE and its attachment to pluralism and freedom of expression, I am sure that you will not deny us the right and possibility of expressing our viewpoint." So far, that right and that possibility have not been awarded. Journalistic seriousness and attachment to pluralism have undoubtedly been "confiscated."

The Somozists have laid an ambush for peasants near New Segovia in northern Nicaragua. One child was killed and 15 persons were wounded.

The counterrevolutionaries, trained by former members of the National Guard of dictator Somoza, ousted by the Sandinist revolution, have waged 20 attacks on Nicaraguan territory since the beginning of the year, the ANN [expansion unknown] agency reports. During the second half of 1982, authorities in Managua have reported 171 actions by groups based in Honduras, supported by that country's army and advisers from the United States.

A meeting on Nicaragua was held in Courneuve on Saturday, attended by that country's ambassador and Senator James Marson, mayor. Some 36,000 francs were collected in the city for the construction of three wells in the region of New Segovia in Nicaragua.

11.464
CSO: 3219/26

COUNTRY SECTION

NICARAGUA

GOVERNMENT'S POLICY TOWARD COSTA RICA SCORED

PA212155 (Clandestine) Voice of Sandino in Spanish to Nicaragua 0000 GMT
21 Feb 83

[Text] Residents of (Las Pilas) Canton on the border with Nicaragua reported yesterday to Costa Rican Foreign Minister Fernando Volio Jimenez that armed individuals of the traitorous collective threaten them continuously and are preventing them from using their boats on the San Juan River.

The foreign minister visited this area in the company of several Foreign Ministry officials and several officials of the ROK Embassy. Residents of the area also explained that they have problems with Nicaraguan radio broadcasts, which are practically the only broadcasts they can hear throughout the day, because the Costa Rican stations are barely audible. They demanded that a local station be established.

Volio promised to discuss the matter thoroughly with President Luis Alberto Monge in order to reach a solution in line with national interests.

Our [as heard] foreign minister met with local municipal authorities and other residents of this extensive canton on the border. The residents outlined a number of problems with which they are faced that make it impossible to develop the area.

Navigation

The residents asked Volio to put an end to the restrictions that the Nicaraguans have imposed on free navigation on the San Juan River. They said that in many cases armed soldiers from Nicaragua prevent free traffic on the river, which is practically the most important means of communication in the area.

Volio told residents of the area that on many occasions he has complained to the Nicaraguan Foreign Ministry about the impediments that are placed in the way of the free navigation of Costa Rican boats on that waterway. He hoped that Costa Rica has an inalienable and perpetual right to free navigation on the San Juan River as established by a treaty signed in 1858 and by the ruling handed down on that treaty in 1888 by President Cleveland of the United States.

These are indisputable Costa Rican rights that have been violated by the Nicaraguan misgovernment which, at the point of a machinegun, exercises control over the San Juan River, Volio said. To our [as heard] foreign minister, that is the most serious conflict that exists between Costa Rica and Nicaragua at this time. We want, he said, to have decorous relations, with respect for our sovereignty, and we demand equal treatment for ourselves. [Sentence as heard]

The image of the traitorous collective is deteriorating in view of the arrogant actions that the traitors carry out [words indistinct] neighboring countries. The Voice of Sandino, voice of national dignity, has reported this on more than one occasion. While the countries in the Central American area are making an effort to improve relations with the traitorous misgovernment of the nine, the Nicaraguans do not respond to the interest shown by the governments of the area in the situation in our fatherland.

How far will the relations between our neighbor to the south, Costa Rica, and Nicaragua go deteriorate? We believe that in view of the constant abuses that are committed against Costa Rica on the border, President Monge's administration will take other measures to keep the two nations from going to the extreme of breaking relations as a result of the continuous aggressions by the traitorous collective. The tentacles of totalitarianism have once again emerged. They are not content to commit acts of aggression against our people; they are also doing this against other countries like Costa Rica, which always gives us great support, in the past as well as in the future.

CSO: 3248/545

EDITORIAL LAUDS PEOPLE'S DETERMINATION

PAL11311 Managua EL NUEVO DIARIO in Spanish 7 Feb 83 p 2

[Editorial: "Why U.S. Imperialism Will Not Defeat Our Revolution"]

[Text] A great event took place in Matagalpa on Saturday. A mass rally was held to hail the "guerrilla army" that invaded the fields in the northern part of our country to cut the coffee that will provide several million in foreign exchange to help in the reconstruction of our country.

U.S. imperialism and the members of the "Ramiro Sacasa" coordinating board who are conducting daily maneuvers seeking to defeat the Sandinist revolution, should learn that their maneuvers are doomed to failure in the face of our people's fighting morale.

When the coffee harvest began along the Honduran border, the counterrevolutionaries backed by the mercenaries, increased their criminal activities in an effort to sow terror. They failed, however, because our people are immune to the criminal aggressors disguised as liberators.

Neither the criminal attacks planned in Honduras by the CIA agents who use President Suazo Cordova and Gen Gustavo Alvarez Martinex, the /big pine/ [slantlines denote bold face as published], nor the so-called diplomatic efforts being made in the area by the ineffable Jeane Kirkpatrick, can break the spirit of Sandino's children.

Just as we saw the legions of 150,000 Nicaraguan men and women, children, and young adults picking coffee and disregarding the hardships, the difficulties including food shortages in some areas, (these hardships come natural to the guerrillas who fight for the reconstruction of our country) so will we see that at the end of the cotton harvest, bales will be stored in ports and warehouses ready to be exported.

EL NUEVO DIARIO has stressed this point. We do so because we must stress that while the members of the Ramiro Sacaza coordinating board, like Adolfo Diaz or Emiliano Chamorro go abroad seeking aid in overthrowing the Sandinist government of our glorious revolution, our people are uniting to overcome the misery and ignorance to which U.S. imperialism had condemned us.

U.S. imperialism will never defeat our revolution in the face of our people's stand against the hardships and misery we inherited from the past and our stand against the "silent war" that the Reagan administration is waging against us.

CSO: 3248/513

BRIEFS

NEW INDUSTRIES DIRECTORATE--The members of the Nicaraguan Chamber of Industries, CADIN, have re-elected the following members of the CADIN directorate for 1983: Ismael Reyes, Daniel Bonilla, Jaime Bengoechea, Federico Lang and Antonio Lacayo. They also elected the following new directorate members: Julio Cardenas, Eduardo Solorzano Thompson and Alvaro Velasquez. [PA191756 Managua LA PRENSA in Spanish 15 Feb 83 p 1 PA]

ECUMENICAL COMMITTEE--The Ecumenical Committee for the Defense of Religion and Worship in Nicaragua [Comite Ecumenico Pro-Defensa de la Religion y Culto en Nicaragua--CEDRENIC] has been established by Nicaraguans living in Costa Rica. Its primary objective is to struggle to reestablish and promote freedom of religion and worship at all levels in Nicaragua. [PA191756 (Clandestine) Voice of Sandino in Spanish to Nicaragua 0000 GMT 18 Feb 83 PA]

COSTA RICAN HEALTH WORKERS--Approximately 130 Costa Rican health workers will arrive in Nicaragua on Friday to show their solidarity with the Sandinist people's revolution. The announcement was made this afternoon by Santos Lopez, secretary general of the Federation of Health Workers. The workers are members of the National Unitarian Federation of Health Workers Unions of Costa Rica [Federacion Unitaria Nacional de Sindicatos de la Salud de Costa Rica]. [PA191756 Managua Domestic Service in Spanish 0300 GMT 15 Feb 83 PA]

CUBAN HEALTH DELEGATION--A Cuban Health Ministry delegation led by Cuba's director of medical education and by the director of the Cuban internship program arrived in Nicaragua on 16 February. The delegation is visiting to study ways of improving Nicaragua's internship program, in accordance with the Nicaraguan-Cuban health cooperation agreement. [PA191756 Managua Radio Sandino Network in Spanish 1200 GMT 17 Feb 83 PA]

TRADE AGREEMENT WITH GDR--Nicaragua and the GDR have signed a trade agreement by which coffee, fodder, textiles and other Nicaraguan products will be exported in exchange for German trucks, construction equipment, industrial equipment and silos. Nicaraguan Planning Minister Henry Ruiz and State Planning Commission President Gerhard Schuerer signed the document. [PA191756 Managua BARRICADA in Spanish 12 Feb 83 p 5 PA]

NEWSMEN'S ASSOCIATION--The Pedro Joaquin Chamorro Cardenal Association of Newsmen of Nicaragua has joined the Iberian-American Federation of Journalist Associations, FIAP, which has thousands of members in America and Spain. [PA191756 Managua LA PRENSA in Spanish 13 Feb 83 p 1 PA]

NUMBER OF DOCTORS--Nicaragua now has a total of some 1,600 doctors; that is, one for every 1,500 inhabitants. This average surpasses that of all other Central American countries except Costa Rica. Over 1,000 of these doctors have graduated since the triumph of the Sandinist revolution. [PA191756 Managua Radio Sandino in Spanish 1830 GMT 18 Feb 83 PA]

DELEGATION TO PLO MEETING--A State Council delegation left today for Algiers, capital of the Republic of Algeria, to attend the Palestine National Council sessions on 14-19 February. The Nicaraguan State Council delegation consists of Deputy Commander Rafael Solis, State Council secretary, and Foreign Commission member (Jose Luis Villavicencio). The Palestine National Council comprises all the organizations that belong to the PLO. [Text] [PA120117 Managua Domestic Service in Spanish 0300 GMT 11 Feb 83]

ARRIVAL OF MEXICAN DELEGATION--Nicaragua, 17 Feb (NOTIMEX)--A Mexican technical-economic delegation arrived here today to hold a series of talks aimed at strengthening financial cooperation agreements in force between the two countries. During its stay here, the Mexican delegation will hold talks with officials of the International Fund for Reconstruction [Fondo Internacional Para la Reconstrucción], Nicaragua's Foreign Trade Ministry, Central Bank and Foreign Affairs Ministry. The Mexican delegation is made up by Gustavo Mojar and Salvador Arriola of the Secretariat of Finance and Public Credit; Rafael Blanco of the Bank of Mexico; and Fernando Villarreal of the Mexican Foreign Trade Institute. [Text] [FL172200 Mexico City NOTIMEX in Spanish 2049 GMT 17 Feb 83]

CSO: 3248/513

PERUVIAN ECONOMY MINISTER INTERVIEW

PY190219 Lima LA REPUBLICA in Spanish 6 Feb 83 pp 9-11

[Undated interview with Peruvian Economy Minister Carlos Rodriguez Pastor in Lima by Mario Campos]

[Excerpts] [Question] Are you aware of what the application of a liberal economic model would mean in Peru? Are you aware of its social cost, of its tremendous social cost?

[Answer] No, by no means. I did not say that that economic model should be applied here. I believe a reasonable procedure has been followed in Peru in the past 2 and 1/2 years. I believe tariff reductions have been important since they have stimulated competition and have forced industrial companies to become more efficient. I believe the money exchange policy has been sound and should be maintained.

[Question] What else do you believe?

[Answer] I believe interest rates should reflect internal inflation in order to stimulate domestic savings, so that depositors may no longer be prejudiced, as has happened in the past when interest rates were subsidized.

[Question] Can you stop and think about the economic situation Peru is now enduring thanks to Ulloa's pragmatic policy, which you so readily support?

[Answer] No, this is a consequence of an adverse world situation.

[Question] Starving, unemployed people never thought this was heaven, Mr Rodriguez Pastor.

[Answer] The truth is that we are all experiencing an adverse world situation. Look, the GDP dropped in Chile by 15 percent, in Argentina by 6 percent and in Brazil it has also declined for the third consecutive year. Bolivia has gone bankrupt. Ecuador has suspended its payments and has been insolvent for months. Mexico had a negative fiscal year. There is a deep, prolonged world recession. There is high unemployment in developed countries. There are 12 million unemployed in the United States. There are 12 million more in European countries. And we believe we are on an island, that we have no connections with the rest of the world. It is raining and we feel there is no reason for us to get wet.

[Question] But policies like the one you are proposing will cause us to be far worse, to living virtually in the water, almost as though we were amphibians. Besides, you said that should your proposal not be accepted...

[Answer] What proposal?

[Question] The one on moderate increase in wages and salaries and also sacrifices, with which we will never overcome inflation. Don't you think that there is much more to the crisis than inflation?

[Answer] Of course.

[Question] Much more than the balance of payment and an imbalanced budget?

[Answer] Of course.

[Question] In large sectors of the Peruvian population, especially in those departments of the area known as "Indian region" ["Mancha India"] the problem, more than inflation, is that of investments; and not only government investments but investments in fast expanding enterprises. Yet to achieve development, these sectors need to have a minimum share of the budget. Look, there has been guerrilla outbreaks in those areas.

[Answer] I share your view that there is much more to the crisis than inflation. This crisis stems from backwardness, underdevelopment, and from the structure of a country like ours. But all this cannot be solved overnight. I believe, however, that we will have a much more serious problem should the financial crisis which has befallen other countries, with the exception of Colombia and Venezuela, befalls us too. This would make it much more difficult for us to focus on major medium term and long term solutions, which would be very important for us to implement once our situation returns to normal as a result of a more favorable international situation.

[Question] Let us leave the international situation aside. In January there was an increase in prices of 6.7 percent, which corresponds to an inflation rate higher than 80 percent this year. What happened? Did Ulloa regulate [embalso] the prices or did you, since you were abroad, lose control of the economy in January?

[Answer] There is always something...prices which must be deregulated. At times the deregulation of prices is delayed. It was delayed in December and the effects showed up in January. The other factor is that by reasons explained several times, an adjustment quicker than the predicted devaluation of the sol was necessary. This also has to do with internal prices. Of course, I am very much concerned over the 7.5 percent inflation in 1 month, but this is not something we are going to get out of immediately.

[Question] When are we going to get out of it?

[Answer] We are not going to multiply it by 12 and say that inflation will be so much. I expect that within 2 or 3 months we will begin to see some results.

[Question] What do you prefer: To pay or to make investments for development? Almost all Latin American countries are for a moratorium, except Peru...

[Answer] Most of these countries have had no alternative. These countries who have decided on a moratorium and which are now refinancing their obligations have had no alternatives. What I am trying to say is that we do have an adequate level of international reserves. We are paying our debts. The world commercial channels are open to us. We are importing. We have credits. The situation is normal as far as our foreign trade is concerned. Moreover, we have made an important domestic effort. We can go abroad and explain that we have made this effort and that we will keep up the effort. Because, as you know, a moratorium only delays payments for a given period, and in 1983 Peru has to pay \$500 million abroad. A moratorium allows us not to pay this \$500 million.

[Question] What do you propose, Mr Rodriguez Pastor?

[Answer] I am proposing to ask the banks: to give me new credits for \$500 million, but since we are going through a normal period of solvency, of a serious domestic effort, give me \$500 million more, which will permit the important investments. Then, \$1 billion is better than \$500 million, I believe this is good for the country. Now, if the situation includes some aspects where we won't be able to pay our debts, then we will resort to a moratorium.

[Question] A moratorium has not been discarded, then.

[Answer] A moratorium has never been discarded. When we get to a point of crisis and when the reserves and credits have been exhausted, there is no other alternative but a moratorium. This is what Mexico, Brazil, Argentina and Bolivia have done. But why ask for mercy and throw in the towel when we are still fighting, when we are handling the economy, and struggling precisely to avoid slipping and falling into the pit? Because no one is aware of the situation around us. There is fear, a tremendous distrust abroad at this moment regarding Latin America, because on seeing all the other countries in difficulties, they attribute the same problems to Peru. It is not so. Colombia has no problems either at this moment. And along with Venezuela, we are in a relatively better situation.

[Question] Your reference to the management of the economy reminds me of what happened in January.

[Answer] I would not like a repeat of the January events. But I can make no forecasts until the economic plan is published and explained to the nation.

[Question] Could you give us some details of the economic plan?

[Answer] Well, it recognizes that since foreign financial support is not available, we cannot maintain as high level of public investment as we did last year, when we hit a historical high. We must rely on ourselves and not so much on foreign sources. Indebtedness should not reach excessive levels. We cannot contract loans at the same rate we did in previous years, first because loans are not available and, second, because it is not to our advantage.

What does that mean? That means that we must increase domestic savings. In the economic sense, savings are not those of the common citizen. You may tell me that there are very poor people who cannot save. From the economic viewpoint, domestic savings are merely what the country does not spend. If it does not spend, then it saves. The government should also save. Public enterprises must be managed with more efficiency and they must yield profits instead of losses. That means to save. The government must have savings in cash. It must collect taxes and spend less than it receives. Then it will have savings and it will be able to invest.

[Question] There is a list of state-run enterprises that the previous cabinet wanted to auction.

[Answer] I have not seen that list. But that is a very complex problem. I have not seen that list and I would have to study the problem on a case-by-case basis. But I maintain that the best alternative for our country would be to awaken the interest of investors, preferably Peruvian, who may be able to manage those enterprises efficiently for our common good, promoting economic activities and creating jobs.

[Question] On what kind of terms are you with President Belaunde? It is said that he is rather indifferent to economic technical problems.

[Answer] President Belaunde has given me his most complete solidarity and support. I believe that he is aware of the existing difficulties.

[Question] Dr Rodriguez Pastor, will you seek to reduce consumption in order to curb inflation or will you seek to increase production in order to meet the demand?

[Answer] I believe that both production and productivity must be raised. This is absolutely essential. The problem is that part of our output is sold abroad and the prices of many of the products that we sell have dropped. Exports declined by \$700 million in 1981 and we have not yet been able to improve our situation. That makes expansionary economic policies very difficult.

[Question] What about the report that you are an agent of the international banking system, in charge of making sure that we will repay all our credits punctually "even if our people starve"?

[Answer] I sincerely believe that report deserves no comment.

[Question] What is your diagnosis of local banks?

[Answer] I don't think their situation is serious but rather sound and with quite favorable prospects.

[Question] Concerning your assistants, what will happen to Roberto Abusada?

[Answer] We have agreed that he will resign.

[Question] And what about the ineffable Ismael Benavidez?

[Answer] He will stay.

[Question] Indeed?

[Answer] For sure.

CSO: 3348/230

PERU

BRIEFS

CHILEAN TERRORIST EXPELLED--The Peruvian Government has confirmed the expulsion from the country of a Chilean citizen who is a member of the Movement of the Revolutionary Left (MIR). (Hector Arnoldo Calvi) had entered Peru in a clandestine manner and then got in contact with Marxist elements in Lima in order to engage in political activism. According to the Peruvian police, the Chilean terrorist is being sought by the Spanish and Italian authorities charged with armed robbery. It has been disclosed that (Calvi) was expelled to Bolivia. [Text] [PY262040 Santiago Domestic Service in Spanish 1000 GMT 26 Feb 83]

COMRADE CARLA NOT DEAD--Carlota Tello, known as Comrade Carla and a top member of the Shining Path group, is not dead. She was mistaken for someone else and today it has been confirmed that she has been arrested in Andahuaylas. Two officials from the attorney general's office have travelled to that area in order to verify her identity and to check whether she is in good physical condition. It has also been learned that Comrade Carla, considered to be [words indistinct], may be transferred tomorrow to Lima, where she will be thoroughly questioned. The report that Comrade Carla has been arrested in Andahuaylas has provoked a great commotion in public, community and press circles in Ayacucho. Carlota Tello was mistaken for an unidentified woman who died in a confrontation between the Sinchis and Shining Path members in the Huanca Zancos area. [Text] [PY251355 Lima Radio Union in Spanish 1130 GMT 25 Feb 83]

DEPUTIES VISIT FRANCE--A delegation of Peruvian deputies visited the French Parliament in order to report the creation of a multiparty Peruvian-French friendship group. The delegation, made up of (Dagoberto Illy), [name indistinct] and (Francisco Aramayo), was accompanied by Peruvian Ambassador Alfonso Arias. [Text] [PY151742 Lima Radio America in Spanish 1200 GMT 15 Feb 83]

RESERVES AT \$780 MILLION--Luis Alva Castro, member of the Congressional Budget Committee, has reported that on 28 January 1983 Peruvian reserves stood at \$780 million, as compared with \$914 million on 31 December 1982. [Text] [PY262254 Lima EL OBSERVADOR in Spanish 13 Feb 83 p 3]

CAF GRANTS CREDIT--Jose Corcino Cardenas, executive director of the Andean Development Corporation, CAF, has reported that CAF has granted credits for

\$109 million to Peru. [Text] [PY262254 Lima EXPRESO in Spanish 15 Feb 83 p 23]

FISHING COMPANY DIRECTORS REPLACED--Fisheries Minister Luis Percovich Roca has accepted the resignations submitted by the presidents and directors of the National Fishing Company, Pesca Peru, and of the Public Enterprise for Fishing Services (EPSEP). Julio Lopez and Luis Ortega Navarrete were named presidents of Pesca Peru and EPSEP respectively. [Text] [PY262254 Lima EXPRESO in Spanish 14 Feb 83 p 28]

CSO: 3348/228

BRIEFS

PROTEST TO ANTIGUA--The Government of St. Kitts-Nevis on Wednesday lodged a protest with the Government of Antigua and Barbuda, over the "Interference of the movement of one of our citizens." This protest stems from an incident involving Derrick Party Vice Captain of the Leeward Islands Cricket Team which prevented him from boarding his flight at Coolidge International Airport, in Antigua. "Reports of the hindrance of the free movement of one of our citizens has caused great concern to our Government," the protest stated. [Text] [Basseterre THE DEMOCRAT in English 15 Jan 83 p 11]

EUROPEAN DEVELOPMENT AID--Sources close to the Government have reported that the diversified programme of development envisaged for the State is on the verge of receiving a welcome boost. According to the sources, Government has been advised that a representative or representatives of the Government will be expected to arrive Luxembourg, Europe in the middle of next month, to finalize conditions of a European Investment Bank (E.I.B.) loan of some \$2.5 million (Two and a half million dollars). The funds will be managed by the Development Bank of St. Kitts and Nevis and will be available to entrepreneurs of small and medium-size projects in the fields of industry and tourism, as well as to prospective homeowners in the State. Late last year a group of financial and investment experts from the E.I.B. visited the State and made an on-the-spot assessment of the credit-worthiness of the Government. [Text] [Basseterre THE DEMOCRAT in English 22 Jan 83 p 1]

CSO: 3298/363

OPPOSITION LEADER MITCHELL RAPS ECONOMY AT PARTY RALLY

Bridgetown SUNDAY ADVOCATE-NEWS in English 30 Jan 83 p 3

[Text]

Kingstown, St. Vincent, Saturday (CANA) — OPPOSITION Leader James Mitchell has claimed here that the Sugar industry lost more than \$3.6 million last year and was expected to lose in excess of \$6 million over the next three years.

Mr. Mitchell told a rally of his new Democratic Party here that his information was obtained from an evaluation study of the sugar industry recently completed by the Caribbean Development Bank (CDB).

Mr. Mitchell said the evaluation pointed to an alarmingly perilous financial situation regarding the operations of the St. Vincent Sugar Industry Ltd.

He quoted one section of the report as stating: "The main contributory factors are as follows: the cost of construction and commissioning of the factory was approximately EC\$28.4 million resulting in a cost overrun of EC\$6.13 million.

Low production levels and high energy costs attained in the 1982 sugar crop have resulted in an operation loss of EC\$3 621 000.

Mr. Mitchell said the CDB report noted that the cost overrun and accumulated operating losses had been financed entirely by means of a national commercial bank overdraft which currently

stood at approximately \$11 million.

He said that according to the CDB evaluation, even allowing for an estimated 30 per cent improvement in output and 40 per cent reduction in energy costs, the sugar industry would incur further losses in excess of \$6 million over the next three years.

Mr. Mitchell said the report stated "the cumulative effect will be that over the next four years, the sugar industry will build up an overdraft of just under US\$16 million."

According to Mr. Mitchell, the CDB evaluation report expressed concern that a distillery had not been integrated with the sugar factory as was originally planned, since in fact the distillery had been calculated as part of government's contribution to enhance the viability of a project considered to be a "marginal" one.

Earlier this month, Minister of Trade and Agriculture Vincent Beache acknowledged that the sugar industry had lost money over the first two years of operation, but said this was mainly due to the high interest payments of over \$2 million on loans floated to revive the industry.

At the same time, Mr. Beache predicted that the industry would be in a position to break even within the next two to three years.

CSO: 3298/363

CHANCES OF EXILES TO MOUNT INVASION ASSESSED

Amsterdam ELSEVIER'S MAGAZINE in Dutch 29 Jan 83 pp 26, 27

[Article by Sig. W. Wolf: "The Dilemmas Faced by the Suriname Resistance"]

[Text] How real are the chances that the Bouterse regime can be ousted by an armed invasion of Suriname exiles and a band of mercenaries? An invasion plan is being prepared in America. But how united is the camp of Bouterse opponents, dispersed as they are over several countries: the Netherlands, the United States, Venezuela and the Caribbean area?

As Army Commander Desi Bouterse is trying to consolidate his power in Suriname, the resistance of refugee Surinamers is rallying. In the Netherlands leadership is in the hands of the Liberation Council presided over by ex-President Chin A Sen. The Suriname refugees have joined together in the United States behind the Miami-centered America League and in concert with the Liberation Council of the Netherlands are intent on driving out Bouterse. There are also connections between Miami and the Dutch Antilles, where exiled Surinamers are waiting until the political climate permits them to return to their homeland.

The rallying of forces abroad is causing great concern for Bouterse and his band of 300 fanatical followers. They know that the Suriname refugees possess considerable data on the country's power structure and know all the weaknesses of the armed forces. After the great exodus of his countrymen, it was natural that Commander Bouterse undertook a major purge within his ranks. This resulted in the dismissal of 2 officers having near relatives among the exiles. Those who were not ejected by the military regime took it upon themselves to get out of the country one way or another. Thus, several high-ranking people were able to make their way to the United States: Vasilda--head of the air force and deputy member of the Supreme Military Court--Battalion Commander Boerenveen and the head of the military police.

It is no coincidence that most of these military refugees chose to go to Miami. This American city, as everyone knows, is a breeding place for resistance activities of exiles from all parts of the Caribbean and offers a favorable climate for hatching military operations. In Miami there are

not only many Surinamers, but also lots of Suriname capital, brought over by businessmen who prefer the sunny southeast U.S. coast to the stifling living conditions of Suriname and pass their days here in more pleasant surroundings.

Miami is also a huge reservoir of ready professional soldiers. From Vietnam veterans to refugees of the Cuban military and the Haitian Tonton Macoute--they are people who are willing to take on a military job anywhere in the world if the pay is right. In almost any hotel bar or on the golf courses in and around Miami, business deals can be closed around the clock for a military punitive expedition.

So it did not sound at all unusual when the report came from the United States that Suriname refugees had succeeded in persuading a Vietnam veteran to help organize an invasion into Suriname. It is said that the payment of 1.5 million dollars for the preparation costs has already been made. Whenever the 10-million dollar total costs can be guaranteed--possibly payable in installments--a mercenary force could leave the United States and move on Suriname. The members of the liberation army are said to be, so to speak, at the starting gate.

But it is doubtful whether such a liberation attempt can actually get underway on such short notice. A military operation against Bouterse and his followers is no simple thing. Not even if the refugee officers provide the expeditionary army information on strategic military positions. The "popular" Bouterse has entrenched himself in his headquarters at Zeelandia the past several months.

This military center is virtually an invincible fortress; it can be taken only with heavy artillery. The military command of Suriname has a diabolical plan in reserve. At the slightest sign of a major military action from abroad, they intend to set ablaze the Paramaribo center with its many wooden structures and the "Zorg en Hoop" and "Uitvlugt" suburbs, the country's finest and most exclusive residential areas. Hundreds of citizens would likely perish in such a conflagration. In the resulting confusion, the military leadership would leave the country and the invasionary army would be held responsible. The escape route has already been mapped out.

The inner circle of the Suriname resistance is aware of the existence of this plan. This is what is behind ex-President Chin A Sen's expressed promise that his Liberation Council is not considering any attempt to topple the Bouterse regime by military means. They prefer to remove Bouterse by diplomatic and political means and restore a democratic government. They will make strong use of the media to rally the resistance of the people. At the meeting with the Liberation Council, Chin A Sen was unable to say within what span of time he expected the Bouterse regime could be ousted politically.

"We can say this much: If we are still here a year from now, we will have to reconsider our position. Time is not on the side of the Liberation Council. Any government will by nature take root and become stable. Moreover, there is a very fanatical group in Suriname that is hard at work and has professional help from outside," explained Chin A Sen in defense of the Council's policy blueprint.

The assessment of the Liberation Council runs counter to the view of the Suriname resistance in the United States. Here, they would rather take action immediately. They see no value in a "gentle" political solution. The same is true for the exiles in the Antilles, Venezuela and Trinidad. Last weekend, ex-Minister Andre Haakmat attended a congress of the Chamber of Trade Unions at Curacao, where he declared the Liberation Council was ready to join hands with the Suriname union leaders in the Antilles who want to oust the Bouterse regime. The emigree union leaders showed themselves to be very militant. The Antilles government was displeased at this, for they were trying to keep a tight rein on the Suriname union leaders in order to prevent Antilles' involvement in a conflict in the Caribbean area.

Chin A Sen is scheduled shortly to visit Venezuela, Brazil and the Antilles, where he will be very busy dissuading the Surinamers there from undertaking a military attack. The Suriname resistance, which still seems uncoordinated in many countries, is regarded by the military rulers in Paramaribo as a real menace. Consequently, they have appealed to their countrymen over the state radio to urge Surinamers in the Netherlands and elsewhere "to demonstrate in protest against the false and misleading information in the Dutch media". In its attacks, the Suriname radio singled out in particular the Wereldomroep [DX programing from the Netherlands], which is widely heard in Suriname, the United States and the Caribbean. This incitement is the best proof of the military junta's fear of the growing resistance.

9992
CSO: 3214/15

ALTERNATIVE MEASURES TO REFINANCING FOREIGN DEBT DISCUSSED

Caracas EL NACIONAL in Spanish 28 Jan 83 p D-7

/Article by Amado Fuget V.: "Finance Department Readies Refinancing"/

/Text/ Several weeks ago, the minister of finance declared that the government is getting ready to apply emergency measures in the event that it does not succeed in refinancing the debt. At that time the minister chose not to divulge these measures because they were "high-echelon plans".

On Wednesday, when he appeared before the committee of delegates from congress, he divulged to the delegates some of the measures that the government would resort to as an alternative if it does not achieve the anticipated success during negotiations with the international banks.

This time Arturo Sosa had no secrets, although he believed that the emergency decisions do not have the relevance attributed to them by the press.

According to what was published in yesterday's newspapers, the head of finance declared that among these measures are the postponement of some investment projects, tax increases, and the possibility of appealing to organizations such as the Inter-American Development Bank (IDB) and the International Monetary Fund (IMF).

The scope of those decisions seems not to be as simple as the government thinks, especially in the midst of the present economic situation.

Although the measures proposed by the minister seem inherently reasonable, their /possible/ consequences make it necessary to take precautions so that these measures will be useful even if the refinancing goes through as hoped.

Delaying investment projects, which has already being decided in the particular case of PDVSA /Venezuelan Petroleum, Inc./, has a contractive impact on the economy, the recovery from which is not very feasible, as recently recognized by Diaz Bruzual and Sosa.

The tax increase would be a burden on the taxpayers, who would thereby lose some of their income, with obvious results in an election year.

The alternative of resorting to organizations such as IDB and IMF would be valid, although it would place the nation in the same disturbing situation in which countries like Argentina find themselves.

Nonetheless, next week Minister Sosa will start a tour of the financial markets in an attempt to convert a \$3.5 billion short-term debt into a long-term one.

He has already visited the Federal Reserve to explain the country's true situation, but now he has to face the bankers, who have been trying to get from Venezuela that which they have not been able to obtain from other debtors.

Some sectors maintain that the important thing is to revise the budget as a preventive measure, because the scope of the last OPEC failure cannot yet be measured, but it is still disturbing.

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